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# ***Daily Report***

## **China**

FBIS-CHI-92-222  
Tuesday  
17 November 1992

# Daily Report

## China

FBIS-CHI-92-222

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17 November 1992

**NOTICE TO READERS:** An \* indicates material not disseminated in electronic form.

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## General

### UN Envoy's Statement on Nuclear Disarmament

OW1711112592 Beijing BEIJING REVIEW in English  
No 45, 9-16 Nov 92 pp 9-11

[Statement by Ambassador to the United Nations Hou Zhitong at the First Committee of the 47th session of the United Nations General assembly on 21 October]

[Text] Since the last session of the United Nations General Assembly, major events have occurred one after another in international relations and the world situation has undergone profound changes. The international community has finally rid itself of the old world pattern characterized by the confrontation between the East and West military blocs. The world, developing in the direction of multipolarity, has embarked on a new historical phase. Peace and development are still the present-day world's two main subjects.

However, world peace and tranquility, which the international community avidly longed for, have not automatically descended in the wake of the demise of the "cold war." Owing to serious imbalance of power in the world, contradictions concealed in the past have intensified, and the North-South disparities become more prominent. In addition, old and new contentions and disputes interweave with one another. All these make the world more turbulent and volatile, and have even given rise to fierce armed conflicts. The existence of hegemonism and power politics is still the principal obstacle to resolving the questions of peace, security and development.

Faced with a complicated and turbulent international situation, the people of the world even more urgently demand the dismantling of the old unequal international order and more strongly call for the establishment of a new international order. A peaceful, stable, just and rational new international order, including an equal and mutually beneficial new international economic order, "should be built upon the principles of mutual respect of sovereignty and territorial integrity, mutual nonaggression, non-interference in each other's internal affairs, equality and mutual benefit and peaceful coexistence. Only in this way can countries in the world pursue common development in an international environment of enduring peace and security. We firmly believe that as the world develops in the direction of multipolarity, such a new international order will ultimately be established.

With the changes in the world structure, same progress has been made in the field of arms control and disarmament. The United States and the Russian Federation have ratified their START treaty and reached understanding on further reducing their strategic nuclear arsenals. Not long ago, the United States announced that it would withdraw tactical nuclear weapons from overseas, and the CFE agreement began to be implemented. The

international community welcomes these positive developments and hopes that the parties concerned will faithfully implement the agreements and understanding they have reached. In the meantime, people have also realized that there is still a long way to go in disarmament, and even after the above steps of arms reduction are completed, the reality will remain unchanged that the two military powers possess the largest and most advanced nuclear arsenals, sophisticated weaponry and the capability for developing space weapons. Therefore, they still have special responsibility for disarmament. The international community urges them to further drastically reduce their nuclear arsenals, destroy the nuclear warheads that are cut, halt the upgrading, production and deployment of nuclear weapons and stop developing space weapons.

Complete prohibition and thorough destruction of nuclear weapons is what the Chinese Government has consistently stood for, and the urgent aspiration and fundamental objective of the international community as well. In order to achieve this ultimate goal, at present it is necessary to take some transitional measures. In this regard, China is ready to put forward the following proposals:

1. All nuclear-weapon states follow China's lead in making the commitment not to be the first to use nuclear weapons and unconditionally not to use or threaten to use nuclear weapons against non-nuclear-weapon states or nuclear-weapon-free zones. An international agreement should be reached in this regard.
2. All other nuclear-weapon states support, as China has done, the proposal for establishing nuclear-weapon-free zones, respect the status of such zones, and undertake corresponding obligations. We also urge the countries that have deployed nuclear weapons abroad to withdraw all these weapons back immediately.
3. All the countries that have space capabilities should observe the principle of peaceful use of outer space, immediately stop the research, test, production and deployment of space weapons and not introduce weapon systems into outer space.

As a nuclear-weapon state, China has unilaterally and unconditionally assumed corresponding obligations in these important areas and made its own contributions. We hope that the other nuclear-weapon states will do likewise.

Proceeding from its principled position for complete prohibition and thorough destruction of nuclear weapons, the Chinese government has consistently supported and participated in the international community's efforts for preventing the proliferation of nuclear weapons. Out of its support for the purposes and objectives of the Treaty on the Non-Proliferation of Nuclear Weapons and taking into consideration the aspirations of non-nuclear-weapon states, China officially acceded to the treaty last March.

NPT is one of the most universally accepted international instruments in the field of arms control. Although not free from defects and inadequacies, it plays a positive role in preventing the proliferation of nuclear weapons. A conference of the parties to the treaty will be held in 1995. We are ready to take part in the work of its preparatory committee with a constructive attitude.

We believe that in order to increase the universality of NPT and strike a balance between the rights and obligations of its states parties, it would be utmost important for the major nuclear-weapon powers to accelerate the process of nuclear disarmament and abandon the policy of nuclear deterrence, for all nuclear weapon states to provide security assurances to non-nuclear states and unconditionally undertake the obligation not to be the first to use nuclear weapons, for nuclear industry capable states to actively promote international cooperation in the peaceful use of nuclear energy in benefit of the economic and social development of various countries, especially developing countries, and for the international non-proliferation regime to be strengthened with the full participation of non-nuclear-weapon states.

China always supports the demands for establishing nuclear-weapon-free zones and zones of peace made by relevant countries in various regions on the basis of voluntary consultations. In the meantime, we have all along advocated that the nuclear weapon states should respect the status of nuclear-weapon-free zones and assume corresponding obligations. This is an effective measure conducive to various regions' security and stability and to the promotion of nuclear disarmament. On the basis of this principled position, China has signed and ratified the relevant additional protocols to the Treaty for the Prohibition of Nuclear Weapons in Latin America and the Caribbean and the South Pacific Nuclear Free Zone Treaty, and we support the proposals for establishing nuclear-weapon-free zones in Africa, the Middle East, South Asia and the Korean Peninsula. Here I wish to state that the Chinese government supports the efforts of the special conference held recently by the states parties to the Treaty of Tlatelolco for improving the treaty's universality and effectiveness and reaffirms the obligations China has undertaken in relation to the treaty. Meanwhile we appreciate the recent ratification by France of the additional protocol I to the treaty.

After many years of negotiations at the Conference on Disarmament, an international convention has finally been concluded on the complete prohibition and thorough destruction of chemical weapons, thereby laying down an international legal basis for eliminating globally this entire category of weapons of mass destruction. As a non-chemical-weapon state which was deeply victimized by foreign chemical weapons in its history, China has consistently stood for complete prohibition and thorough destruction of all chemical weapons and the production facilities thereof. By attaching great importance to and taking an active part in the negotiations on the chemical weapons convention we have made our own contributions. Although the present draft convention

still suffers from certain defects, inadequacies and imbalanced contents, we believe that its purposes and objectives, namely the complete prohibition and thorough destruction of chemical weapons, should enjoy broad approval and support of the international community. Therefore, China joined the consensus on the draft convention at The Conference of Disarmament and agreed that the draft convention be submitted to the current session of the General Assembly for deliberation. In the meantime, in its statement of positions, China also expressed its concerns and reservations over the defects of the draft convention, as well as its hope that these defects will be resolved appropriately. In view of China, complete achievement of the basic objectives of the draft convention and the realization of a chemical-weapon-free world will undoubtedly be of positive significance to maintaining international peace and security.

Disarmament and arms control directly concern every country's rights and interests as well as international peace and security. Therefore, the countries in the world, big or small, strong or weak, all have the right to participate on an equal footing in the discussions and settlement of such issues, rather than let them be monopolized or manipulated by a few big powers. In order to enhance international peace and security and to promote disarmament process, hegemonism and power politics must be completely removed from international relations and all states should strictly observe the UN Charter and other norms of international relations, so as to ensure full respect of every country's sovereignty, independence, territorial integrity and security.

We oppose the attempt of a country to interfere in and obstruct normal cooperation between sovereign states under the pretext of preventing arms proliferation. We strongly reject the blatant violation of the UN Charter, other norms of international relations and even one's own commitment to international agreement by grossly interfering through arms transfer in another country's internal affairs. Such practice of double standards and breach of faith in the field of arms control is both typical of hegemonism and power politics, and detrimental to international peace, security and stability.

The Asian and Pacific region is relatively stable in the political aspect and undergoing sustained economic development. As an Asia-Pacific country, China attaches great importance to maintaining security and stability in the region and to developing friendly relations with its neighbouring countries. To these ends we have made unremitting efforts. China has consistently pursued an independent foreign policy of peace, with safeguarding national independence and sovereignty and promoting world peace and development as its basic objectives. China does not seek hegemony or any sphere of influence, nor establish military bases abroad. Neither do we station a single soldier overseas, or pose a threat to any other country. China is a firm force for peace and security in the Asia-Pacific region and the world at large.

With a view to promoting in an all-round way disarmament and security in the Asia-Pacific region, China is of the view that:

1. In developing relations with one another, Asia-Pacific countries should strictly abide by the United Nations Charter and the Five Principles of Peaceful Coexistence, respect each other, treat each other with sincerity, cooperate with each other on an equal footing and live in amity.

2. None of the Asia-Pacific countries should seek regional or sub-regional hegemony or establish sphere of influence, set up or participate in a military bloc directed against other countries, build military bases on foreign soil or station its troops abroad. Nor should it infringe upon the sovereignty and territorial integrity or interfere in the internal affairs of other countries under whatever pretext.

3. All of the Asia-Pacific countries should commit themselves to developing good-neighbourly and friendly relations. They should settle territorial and border disputes as well as other problems left over from history through peaceful consultations instead of resorting to force or threat of force. In this regard, peaceful negotiations may be conducted when conditions are ripe; otherwise, a dispute or problem may be shelved until conditions are ripe.

4. None of the Asia-Pacific countries should engage in any form of arms races. The defence capabilities of each country should be kept at a level commensurate with its legitimate defence needs.

In our view, in order to promote peace, security and stability in the Asia-Pacific region, efforts should be made first of all at the, bilateral level to promote dialogue and take action so as to increase trust, reduce tension, settle dispute and enhance security, thus leading, step by step, to the establishment and development of a suitable mechanism of dialogue for regional and subregional security. We are willing to work together with the relevant countries to further improve the environment of peace and security in the Asia-Pacific region.

The task facing the First Committee of the current session of the UN General Assembly is both important and arduous. Here, I would like to assure that the Chinese delegation, with a positive and constructive attitude, will closely cooperate with other delegations in the consideration of our agenda items and make its own contribution to the success of the work of the First Committee and to further progress in the field of security and disarmament.

#### **Beijing Abstains in UN Vote on FRY Embargo**

OW1711012192 Beijing XINHUA in English 0109  
GMT 17 Nov 92

[Text] United Nations, November 16 (XINHUA)—The UN Security Council today decided on a number of

measures to further tighten its sanctions against the Federal Republic of Yugoslavia.

Under a resolution adopted tonight, the Security Council decided to prohibit the transshipment of crude oil, petroleum products, coal, energy-related equipment, iron, steel, vehicles, aircraft and other commodities through the country unless it is specifically authorized by the council's sanctions committee.

The resolution called on states along the Danube River to take "necessary measures," including the halting of such shipping in order to inspect and verify their cargoes and destinations, to ensure that shipping on the Danube is in accordance with the sanctions and an arms embargo the council slapped on the former Yugoslavia in September last year in an effort to stop the fighting in the region.

The council also authorized states to inspect and verify the cargoes and destinations of all inward and outward maritime shipping to ensure strict implementation of the arms embargo and sanctions.

The measures are to ensure that no exports will be diverted to Yugoslavia in violation of the sanctions imposed by the council in May for the country's role in the now over seven months of fighting between the Serbs, Croats and Muslims in Bosnia and Hercegovina.

The resolution was adopted by a vote of 13 in favor with two abstentions after a two-day council debate on the situation in Bosnia and Hercegovina, at which Cyrus Vance and David Owen, co-chairmen of the International Conference on the Former Yugoslavia, reported that the sanctions had not been fully complied with.

It also called upon the parties in Bosnia and Hercegovina to consider the draft outline constitution advanced at the international conference as a basis for negotiating a political settlement of their conflict.

It reaffirmed that any taking of territory by force or any practice of "ethnic cleansing" is unlawful and unacceptable and will not be permitted to affect the outcome of the negotiations on constitutional arrangements for the former Yugoslav republic.

China and Zimbabwe abstained on the resolution.

In a statement explaining his abstention before the vote, Li Daoyu, China's Permanent Representative to the United Nations, said China is in favor of urging all the parties in Bosnia and Hercegovina to immediately cease hostilities and seek a political solution to the conflict through negotiations.

He expressed support for the positive efforts made by the International Conference on the Former Yugoslavia and especially by the co-chairmen of the steering committee.

The ambassador noted that China is also in favor of calling for the immediate cessation of all forms of interference from outside Bosnia and Hercegovina and



an end to all violations of the international humanitarian law and supports all the humanitarian relief efforts by the international community.

But he pointed out that the resolution contained contents aimed at further strengthening sanctions against Yugoslavia.

"Sanctions would not help solve the problem," reaffirmed the ambassador, who also abstained on Resolution 757, which imposed the sanctions. "They would, on the contrary, further deteriorate the situation in the former Yugoslavia and create serious consequences for the life of the people in the region and the economy of the neighboring states."

"Therefore, we cannot accept such contents," he declared.

The Chinese ambassador also described as "inappropriate" the fact that the resolution referred to the report on the human rights situation in the former Yugoslavia by the special rapporteur of the UN Commission on Human Rights.

"It is not within the competence of the Security Council to handle the human rights issue," he said.

#### **UNTAC Commander Praises Engineer Battalion**

*OW1611213192 Beijing XINHUA in English 1751  
GMT 16 Nov 92*

[Text] Phnom Penh, November 16 (XINHUA)—General Anderson, the force commander of the United Nations Transitional Authority in Cambodia (UNTAC), said the Chinese engineers battalion has made active contributions to the U.N. peace-keeping operation in Cambodia.

He made this remarks during a buffet reception given by the mission of the People's Republic of China to the Supreme National Council of Cambodia (SNC) this evening in honour of a group from headquarters of the General Staff of the Chinese People's Liberation Army (PLA) who arrived here on November 10 to give greetings and appreciation to the Chinese engineers working here.

The work done by the Chinese engineers here shows that China is loyally implementing the Paris peace agreements, said Anderson.

The Chinese engineers have helped repair some of this area's roads and bridges.

Invited to the event were also UNTAC Deputy Force Commander Reduea and the military officers of the Cambodian parties working in the mixed military working group.

During their stay here, the 10 member group visited the Chinese engineers who joined the peace-keeping operation of the United Nations in Cambodia.

The group is to return home tomorrow.

#### **Beijing Donates to UN Refugee Programs for 1993**

*OW1711000192 Beijing XINHUA in English 2306  
GMT 16 Nov 92*

[Text] United Nations, November 16 (XINHUA)—China announced here today that it would donate 250,000 U.S. dollars for the UN refugee programs for the year 1993.

The donation was announced here this morning by Liu Zhixian, Chinese representative to the third committee sessions of the 47th General Assembly, at the ad hoc committee of the General Assembly for the announcement of voluntary contributions to the 1993 programs of the UN High Commissioner for Refugees (UNHCR).

During the ad hoc committee session, the Chinese representative said that China had consistently supported the work of the UNHCR and showed deep concern and sympathy for the sufferings of the refugees.

In the past few years, Liu added, China had settled more than 300,000 refugees and provided financial and material assistance to help alleviate the situations of refugees through bilateral or multilateral arrangements at a time when it faced many difficulties itself.

According to latest UN data, the world has 18 million refugees, plus a comparable number of displaced people caused by wars, conflicts or natural disasters.

The general situation of refugees in recent years had become worse, instead of turning for the better, Liu said, though the international community, especially the UNHCR, had taken active measures and notable results had been achieved.

"The Chinese Government would, as always, support the work of the UNHCR and make continuous efforts to solve the problem of refugees at an earlier date together with the international community," said the Chinese representative.

Twenty-five countries attended today's pledging session, and a total of 140 million U.S. dollars were pledged for the 1993 programs of the UNHCR.

#### **Wan Li Meets Director General of WHO**

*OW1611212292 Beijing XINHUA in English 1602  
GMT 16 Nov 92*

[Text] Beijing, November 16 (XINHUA)—Wan Li, chairman of China's National People's Congress (NPC) Standing Committee, met with Dr. Hiroshi Nakajima, director-general of the World Health Organization (WHO) at the Great Hall of the People here today.

According to a Chinese official attending the meeting, Wan and Nakajima had a cordial, friendly conversation on cooperation between China and the organization.



Wan thanked Hiroshi Nakajima for WHO's help in developing China's public health undertakings in recent years.

Both sides held that cooperation between China and who will be significant for the accomplishment of the great goal of providing health care for every one by the year 2000.

Nakajima expressed his appreciation for the great progress China has made in its health work over recent years.

Among those present at the meeting were Chen Minzhang, Chinese minister of Public Health, and D.P. Kean, representative of WHO posted in Beijing.

This is the fourth visit by Nakajima since he took up the post of director-general. He arrived here on November 14 as guest of the Ministry of Public Health.

#### **International Peace Week Opens in Beijing**

*OW1311140192 Beijing XINHUA Domestic Service in Chinese 1356 GMT 8 Nov 92*

[By reporters Shi Baohua (2457 1405 5478) and Li Xiaojian (2621 2556 1696)]

[Excerpts] Beijing, 8 Nov (XINHUA)—The Fourth "International Science and Peace Week" opened at the Great Hall of the People today.

Wan Li, Wen Jiabao, Yan Jici, Ni Zhifu, Lei Jieqiong, Song Jian, Ma Wenrui, Cheng Siyuan, and Lu Jiayi attended the opening ceremony of the "International Science and Peace Week."

In his speech at the ceremony, Zhu Guangya, president of the China Association for Science and Technology, said: [passage omitted] The world wants peace, countries want development, society wants progress, the economy wants to prosper, and the people want to improve their living standard—these have become the common demands of the people of all countries. To this end, we will, as always, undertake the present-day world's two major tasks of peace and development, persistently pursue an independent foreign policy of peace, oppose hegemonism and power politics, strive for an international environment favorable to our reform, opening up, and modernization, and contribute to world peace and development. [passage omitted]

#### **Tianjin's Tan Shaowen Meets World Bank Officials**

*SK1611133392 Tianjin TIANJIN RIBAO in Chinese 5 Nov 92 p 1*

[Text] Tan Shaowen, secretary of the municipal party committee, cordially met with Mr. Shahid Javed Burki, director of the Chinese and Mongolian Bureau of the World Bank, and officials and experts of the World Bank at the Yingbin Hotel on the evening of 4 November. The

foreign officials and experts are here to attend an international symposium on Tianjin's economic development. Tan Shaowen expressed great thanks to them for offering many very good opinions and suggestions on Tianjin's economic development.

Tan Shaowen said: The international symposium on Tianjin's economic development, which is cosponsored by the World Bank, the UN Development Program, and the Tianjin municipal government, has proceeded very well. The many suggestions offered by foreign experts are compatible with Tianjin's real situation and useful to its future economic development. We will study them in the future. He said: Tianjin is conscientiously studying the guidelines of the 14th CPC Congress and concentrating efforts to make Tianjin's economic construction, reform, and opening up faster and better. We are accelerating reform and striving to establish a socialist market economy system. Reform involves many fields, and enterprise reform, in particular, is a pressing task. We have gained some successful experiences, but many issues need to be further explored. Tianjin and the World Bank have successfully cooperated for many years. We sincerely hope that such cooperation will be broadened continuously.

Shahid Javed Burki said: We are very satisfied with the last two days' symposium, at which Tianjin and foreign experts aired many relevant views. The cooperation between the World Bank and Tianjin has a very long history. We hope that through this symposium, we will further understand Tianjin, begin a new stage of cooperation with Tianjin, and contribute to the development of its various projects.

Li Shenglin, vice mayor; Fang Fang, adviser to the municipal government; and Zheng Zhiying, secretary general of the municipal government, were present at the meeting.

#### **United States & Canada**

##### **Bush To Meet Clinton in Washington 18 Nov**

*OW1611212892 Beijing XINHUA in English 1736 GMT 16 Nov 92*

[Text] Washington, November 16 (XINHUA)—U.S. President George Bush will meet President-elect Bill Clinton in Washington Wednesday [18 November] to discuss plans for transition and other matters, the White House Spokesman Marlin Fitzwater said today.

Fitzwater told reporters here that Bush and Clinton will talk "one on one" in the Oval Office for an hour on matters relating to international affairs and perhaps Congressional issues as well as a "smooth transition."

"There will be some matters dealing with national security," the spokesman said.

It will be Clinton's first visit to Washington from Little Rock, Arkansas after he defeated Bush in the presidential election on November 3. The president-elect and his wife Hillary will stay in the capital for three days.

The First Lady Barbara Bush will show Mrs. Clinton the White House family quarters, Fitzwater said. Mrs. Bush is in Houston now to hunt for the Bushes' future home and will return to Washington Wednesday.

President Bush, who returned to the capital Sunday from a five day fishing vacation in Florida, met this morning with Israeli President Chaim Herzog on the Middle East peace process and the 10 billion U.S. dollars loan guarantees given by the United States to Israel.

### Clinton, Congressional Leaders Pledge Cooperation

OW1611212992 Beijing XINHUA in English 1744  
GMT 16 Nov 92

[Text] Washington, November 16 (XINHUA)—U.S. President-elect Bill Clinton and Democratic congressional leaders today pledged a "new era of cooperation and action" to end 12-year gridlock in Washington that paralyzed the government.

At a news conference with Democratic congressional leaders in Little Rock, Arkansas, Clinton said, "We are ready to go to work." He said he wanted to put an end to the cold war between the White House and Congress.

Clinton met with Senate Majority Leader George Mitchell, House Speaker Thomas Foley and House Majority Leader Richard Gephardt yesterday at a dinner in Clinton's governor's mansion in Little Rock.

"Gridlock is over and cooperation and teamwork have begun," said Gephardt at the news conference.

"The election has brought a renewal of the country's confidence," said Foley.

Clinton said he and the congressional leaders had agreed they could "make government work again," but also cautioned against any expectation of overnight miracles.

### Clinton on Yugoslav Crisis, Ties With Vietnam

OW1711000892 Beijing XINHUA in English 2339  
GMT 16 Nov 92

[Text] Washington, November 16 (XINHUA)—U.S. President-elect Bill Clinton said today the United States could do more to help ease the Yugoslav crisis and said he would only recognize Vietnam after it had accounted fully for the U.S. servicemen missing in action (MIA) during the Vietnam War.

At his second news conference in Little Rock, Arkansas, since he was elected the 42nd U.S. President, Clinton refused to lay out what precise action he might take to ensure aid reaches the former Yugoslavia but said more could be done.

"There are many options that we have in dealing with the problem in Bosnia and the potential problem in short of sending troops in, but beyond where we have been now," he said.

"I don't want to foreclose any of those options by anything I say now. I won't become president until January and I want to have those options available," he added.

The President-elect also said the U.S. diplomatic recognition of Vietnam depended on a full accounting of the MIAs.

"With regard to the recognition of Vietnam," Clinton said, "I think that what the American people clearly would insist upon is that there has been the most extensive and good-faith possible effort to have the fullest possible accounting on the POW-MIA issue before recognition."

In a related development, a U.S. Senate delegation is visiting Vietnam to deliver a letter today from U.S. President George Bush to Vietnamese President Le Duc Anh requesting a final accounting of MIAs.

The letter, described by Sen. John Kerry, the delegation's leader, as the first direct communication to a head of state in Hanoi from a U.S. president since the Nixon administration, is the latest sign of an accelerating thaw in relations between the two countries.

After their visit to Vietnam this week and a final round of Senate hearings in December, Kerry and his colleagues on the Senate select committee on POW-MIA affairs are expected to report that Vietnam is making a good-faith effort to help Pentagon investigators, clearing the way for Bush or Clinton to lift the U.S. trade embargo on Vietnam and eventually re-establish diplomatic relations.

### JANES on 'Conflicting' Clinton Defense Goals

OW1611134892 Beijing XINHUA in English 1256  
GMT 16 Nov 92

[Text] London, November 16 (XINHUA)—His promises to preserve defense jobs and to cut defense spending has placed U.S. President-elect Bill Clinton in the quandary of striving for conflicting goals, says JANE'S DEFENSE WEEKLY.

His strategy, says the journal, will focus on reducing troop levels to fund weapons modernization and mobility.

He will spend roughly 1.36 trillion dollars on defense during 1993-1997, 60 billion dollars less than President Bush planned. But he will have to spend more money on military technology in the future.

As a supporter of increased strategic and tactical mobility, the journal says, he favors the C-17 airlifter, fast sealift ships and the F-22 fighter. But he wants to cut

the space-based part of the Strategic Defense Initiative, and reduce the Navy's 12 carriers to 10 to save money.

Maintaining the V-22 and supporting the continuation of the Seawolf submarine program are Clinton's main demonstrations of concern for the defense industrial base. However, it is doubtful whether his leaner Pentagon budget will be able to afford all these programs.

Despite his emphasis on the domestic economic impact of defense cuts, the journal says, Clinton may be forced to focus sooner than he wants to on the same international crises that bedeviled the Bush administration.

Topping the list is U.S. concern over continuing threats to Boris Yeltsin's "reforms" from "hard right Russian nationalists." Some in the military appear to be delaying ratification of new strategic arms agreements to eliminate multiple-warhead intercontinental ballistic missiles.

As the crisis in Bosnia-Herzegovina deepens, says the journal, U.S. relations with its NATO allies will also become more critical. Clinton has advocated some Western intervention.

The weekly predicts that under Clinton the U.S. contribution to NATO may decline, as he has supported cutting the 1995 level of 150,000 troops in Europe by one-third.

#### **U.S. Industrial Output Up 0.3 Percent in Oct**

*OW1611212392 Beijing XINHUA in English 1606 GMT 16 Nov 92*

[Text] Washington, November 16 (XINHUA)—U.S. industrial production rose 0.3 percent in October, the Federal Reserve reported today.

The report noted that "much of the.... gain reflected a significant hike in light truck assemblies." Outside of motor vehicles and parts, production rose just 0.1 percent.

Manufacturing in October rose 0.3 percent. A 0.5 percent decline in utilities output offset a 0.5 percent increase in mining.

Within manufacturing, output of durable goods rose 0.7 percent, primarily because of a 6.9 percent surge in auto and light truck production. Non-durable goods were unchanged overall.

The Federal Reserve said the various changes brought its industrial output index in October to 109.0 of its 1987 base of 100 and only 0.6 percent higher than a year ago.

The October production increase was only the second in five months. It slipped 0.2 percent in September and 0.3 percent in August. Production rose in July and fell in June.

Many analysts said that the economy in the last month or two has begun to perk up a bit, but that the return to even moderate growth is still months away.

The Federal Reserve's report also showed that the operating rate of the U.S. factories, mines and utilities was 78.5 percent in October, up from 78.4 percent in September.

#### **Central Eurasia**

##### **Kozyrev on Partnership Between Russia, West**

*OW1611212192 Beijing XINHUA in English 1554 GMT 16 Nov 92*

[Text] Moscow, November 16 (XINHUA)—Russian Foreign Minister Andrey Kozyrev said on Monday [16 November] that Russia hoped for partnership with the United States and other western countries.

Airing his views at the second session of the Committee for Foreign Policy, he said it was time for Russia and the West to formulate and carry out such a strategy.

Russian foreign policy, he said, was neither pro-United States nor pro-Europe.

The foreign minister said President Boris Yeltsin had established a very close relationship with the U.S. President-elect, Bill Clinton.

Russia would safeguard its own interests through cooperation instead of confrontation while maintaining partnership with western countries, including the United States.

Talking about Yeltsin's recent trip to South Korea and China, as well as his later tour to India and Japan, he said Russia's presence in the Asian-Pacific region was an element for global and regional balance.

##### **Jilin CPPCC Delegation Returns From CIS**

*SK1611140192 Changchun Jilin People's Radio Network in Mandarin 1030 GMT 13 Nov 92*

[Text] At the invitation of the Volgograd Oblast Administrative Office of the Russian Federation and the Kazakhstan Oblast Administrative Office of the Republic of Kazakhstan, the Jilin six-member economic and trade delegation, headed by Gao Wen, vice chairman of the provincial committee of the Chinese People's Political Consultative Conference, visited Volgograd and Kazakhstan Oblasts and returned to Changchun on 13 November.

During its stay in the oblasts, the delegation was warmly received by the local administrative officials, various economic and trade departments, and some companies. During its stay in Kazakhstan Oblast, the delegation respectively held talks with two officials at the deputy chief level from the oblast administrative office, administrative officers of Petropavlovsk city, and administrative officers of (Vakshenk) Kray. Both sides exchanged many opinions on jointly building a sugar refinery with an annual production capacity of 10,000 tonnes of beet sugar, a plant with a capacity of producing 2 tonnes of



instant noodles, and jointly developing production of beer and malt. While staying in Kazakhstan Oblast, the delegation also inspected [words indistinct], a brewery, a clothes plant, and a beet production farm of (Vakshenk) Kray and visited a teachers training college. The delegation also held talks with the teachers training college on training students for our province.

During its visit to the Russian Federation's Volgograd Oblast, the delegation also visited and inspected a steel tube plant and a tractor plant. The delegation extensively established contacts with some local trade companies and enterprises and held talks on development of barter trade during its visit to the oblasts.

### Hebei Leaders Meet Leningrad Oblast Delegation

SK1711115292 Shijiazhuang HEBEI RIBAO in Chinese 30 Oct 92 p 1

[By reporter Zhou Yingping (0719 3841 1627): "Xing Chongzhi, Guo Zhi Meet With Guests From Leningrad Oblast"]

[Text] On 29 October, Xing Chongzhi, secretary of the provincial party committee, and Guo Zhi, chairman of the provincial People's Congress Standing Committee, met with Gustov, chairman of the Leningrad Oblast Soviet, Pavlov, first deputy head of the oblast, and their party on different occasions and extended welcome to them for their friendly visit to our province.

At noon that day, Chairman Guo Zhi, Bai Shi, vice chairman of the provincial People's Congress Standing Committee, and Gu Erxiong, vice governor, welcomed the guests from Leningrad Oblast at the Hebei Hotel. Guo Zhi said: Establishment of friendly ties between our province and the oblast in July of this year built a bridge for exchange and cooperation and indicated a new stage in relations. Through exchanges, the province and the oblast have promoted friendship, enhanced understanding, and expanded cooperation over the past two years. We believe that the visit of the delegation will further promote the friendly relations between the province and the oblast. Guo Zhi urged the guests from Leningrad Oblast to visit more places in Hebei, make more contacts with plants, and get acquainted with some cooperation partners.

That evening, Xing Chongzhi, secretary of the provincial party committee, and Ye Liansong, executive vice governor, held a meeting with the guests.

Xing Chongzhi said: The Leningrad Oblast delegation is the first delegation to visit the province since the province established friendly ties with the oblast. We believe that both sides will achieve comprehensive development in the fields of scientific and technological, cultural and educational, and economic and trade cooperation in the future. He said: Leningrad Oblast boasts abundant resources and substantial technological forces, and Hebei is a major agricultural province which also has complete branches of industry. There are numerous

prospects for exchange and cooperation. He hoped that the province and the oblast would have closer ties, more extensive exchanges, and greater success in their cooperation.

Gustov, head of the delegation, said: We have held talks on mutual cooperation with Hebei friends and visited many plants, enterprises, and shops in Shijiazhuang during our short visit. We are pleased with Hebei's achievements in reform and opening up. After reviewing the Sino-Soviet friendly exchanges in the 1950's, he said that the people of Leningrad Oblast would never forget their friendship with the Chinese people. He expressed the desire to expand the exchanges and cooperation with Hebei on the basis of mutual benefit.

That afternoon, Vice Governor Gu Erxiong accompanied the guests on their visits to the Shijiazhuang Tractor Plant, the Shijiazhuang Xinhua Garment Plant, and the provincial fur and leather center. The guests showed great interests in their products. They hoped to see more Hebei products at Leningrad Oblast's commodity trade fair to be held next year.

As was learned, three contracts on the cooperation between Hebei Province and Leningrad Oblast have been officially signed thanks to the efforts of both sides. Discussions are being held for four projects, and further observation activities and discussions will be held for more than 10 projects.

On 30 October, the delegation will leave Shijiazhuang city to continue their observation activities in Zhuozhou, Langfang, and Tangshan.

Xing Chongzhi asked Chairman Gustov to convey Hebei people's greetings to the people of Leningrad Oblast. Chairman Gustov presented a bust of Lenin to Hebei Province to thank the Hebei people for their hospitality.

## Northeast Asia

### Korean 'Comfort Women' Demand Reparation From Japan

HK1711115092 Hong Kong AFP in English 1047 GMT 17 Nov 92

[By William Brent]

[Text] Beijing, Nov 17 (AFP)—Ending a 47-year silence, a group of Korean women came forward here Tuesday [17 November] to demand reparations for being forced to prostitute themselves for Japanese troops occupying China during World War II.

It was the first time since the war's end that so-called "comfort women" in China have gone public to level charges against Japan.

Their appearance also supported evidence that Japan forced Korean women to work as sex slaves across Asia.

By arranging a meeting between reporters and three surviving "comfort women," a grass-roots Chinese reparations movement defied a government ban on the resumption of its activities.

The movement, which had announced plans to form a nationwide association of war victims, was branded illegal by the Chinese authorities last month before a historic visit by Japanese Emperor Akihito. It claims 300,000 supporters.

Japanese troops brought the women to China from Korea during the late 1930's and they have been stuck here ever since. About 20 still live in the central Chinese city of Wuhan and other survivors are believed to be scattered elsewhere.

The three women, who said they represented the other survivors in Wuhan, came here Monday to make public their demands and to seek assistance from the South Korean consulate here in regaining their citizenship.

"Japan will never be able to repay us," 65-year-old He Junzi told reporters as she wiped away tears.

China and South Korea established diplomatic relations only in August after four decades of hostility. The lack of ties forced the women to seek identification papers from Beijing's longtime ally North Korea, which they still hold.

The women, all from peasant families in Korea, said they did not know if their relatives were still alive.

A South Korean diplomat met the three women Tuesday and said a team would be sent from Seoul to investigate.

"The situation is complicated by them holding North Korean papers," the official said, adding however that it was possible Seoul would make special arrangements for them to return to South Korea.

Japan occupied the Korean Peninsula and much of China during the war and forced thousands of young Korean and Chinese women to act as prostitutes for its soldiers.

Tokyo has already apologized for the prostitution of civilian women in other Asian countries during the war.

The Chinese Government has repeatedly said it hopes Japan will "earnestly and seriously" handle the issue of Chinese "comfort women."

Figures have not been released, but Chinese reparation activists estimate that as many as 1.2 million women in China were used as prostitutes during the war, adding that several thousand were probably still alive.

In August, the reparations movement passed on demands for reparations from seven Chinese women in Shanxi Province to the Japanese Government. No response has been received.

#### **DPRK Paper Carries Kim Chong-il Article**

HK1711010692 Beijing RENMIN RIBAO in Chinese 6 Nov 92 p 6

[Dispatch by reporter Zhou Bizhong (0719 1801 1813): "DPRK NODONG SINMUN Publishes Kim Chong-il's Long Article"]

[Text] Pyongyang, 3 Nov (RENMIN RIBAO)—The DPRK's NODONG SINMUN published on 2 November a lengthy essay written by Kim Chong-il, member of the Standing Committee of the Central Committee Political Bureau of the Korean Workers' Party [KWP] and secretary of the KWP Central Committee. The article is entitled "On the Fundamental Issues of a Revolutionary Party's Building."

The essay says that in the building and activities of a political party of the working class, the most important issue is to consolidate the party's ideological and organizational foundation. It stresses the need to strengthen ideological education among party cadres, ordinary party members, and the masses. The essay says that it is particularly necessary to make great efforts to educate children and young people; instructing them to adhere to the socialist system is an important task of the socialist ruling party. The essay says that another important issue is to consolidate the party's mass foundation. Therefore, it is necessary to properly conduct socialist construction and fully demonstrate the superiority of the socialist system. The essay says that if the socialist ruling party cannot properly guide socialist construction, demonstrate the superiority of socialism, and overcome such old working methods and work style as bureaucratism, then the party may divorce itself from the masses. The essay says that the most important work for the party is to formulate correct policies. The line and policies of the revolutionary party should give expression to the demands and interests of the people. Therefore, it should seriously listen to the opinions and demands of the people. In the course of carrying out the mass line, party cadres should continuously improve their work methods and work style, thoroughly serve the people, share weal and woe with the people, and play the exemplary role of party members.

#### **Five Chinese Conferred Japanese Medals**

OW1611131292 Beijing XINHUA in English 1159 GMT 16 Nov 92

[Text] Beijing, November 16 (XINHUA)—Hiroshi Hashimoto, Japanese ambassador to China, today conferred Japanese first-class medals on five Chinese personages in praise of their contributions to the China-Japan friendship on behalf of the Japanese Government.

These are Zhao Puchu, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, Zhang Xiangshan, chief Chinese representative of the 21st Century Committee of the China-Japan Friendship, Chen Chu and Fu Hao, former



Chinese ambassadors to Japan, and Sun Pinghua, president of the China-Japan Friendship Association.

Usually the Japanese emperor awards domestic and foreign personages who have made contributions with medals twice a year separately during the spring and autumn seasons.

### Near East & South Asia

#### Iraqi Official on 'New Chapter' in U.S. Ties

OW1611131892 Beijing XINHUA in English 1141  
GMT 16 Nov 92

[Text] Baghdad, November 16 (XINHUA)—An Iraqi mass organization has urged U.S. President-elect Bill Clinton to "open a new chapter" in relations between the two countries.

Sa'ad Qassum Hammadi, secretary general of the Arab Popular Forces conference, said the election of a new U.S. president "offers an opportunity for beginning new relations between Baghdad and Washington."

Hammadi, quoted by the "BAGHDAD OBSERVER" newspaper, said that the two countries should improve their relations on the basis of mutual respect for territorial sovereignty, national independence and non-interference in each other's internal affairs.

"Such a rational policy will be in the interests of the American and Iraqi peoples and will contribute to the stability and security of the region, one of the most sensitive in the world," he said.

Hammadi called on Clinton to rectify the policy pursued by the Bush administration toward Baghdad over the past two years. Under the Bush administration, the United States championed the U.N.-imposed sanctions on Iraq for its August 2, 1990 invasion of Kuwait and led a multinational coalition in evicting Iraqi troops from the emirate early last year.

"The plans of conspiracy and aggression ... against Iraq along with the continuation of the unjust embargo have failed to prevent the Iraqis from going ahead with reconstructing their homeland by relying on their own resources," Hammadi said.

Since Bush's defeat by Clinton in the November 3 elections, Iraqi newspapers have repeatedly urged Clinton to end the U.S. "policy of hostility" toward Iraq and lift the U.N.-imposed sanctions.

Outgoing President George Bush insists that the sanctions should remain in effect as long as Iraqi President Saddam Husayn is in power.

Clinton will take office on January 20.

#### Economic Cooperation Talks With Pakistan Open

OW1611132792 Beijing XINHUA in English 1115  
GMT 16 Nov 92

[Text] Beijing, November 16 (XINHUA)—The China-Pakistan Joint Economic Committee met here today for the eighth time to explore ways for further cooperation between the two countries in the fields of economy and trade.

The opening session was jointly chaired by Chinese Minister of Foreign Economic Relations and Trade Li Lanqing and Pakistani Minister of Finance and Economic Affairs Sartaj Aziz.

A delegation led by Aziz arrived here Sunday [15 November].

#### Minister Urges Increased Imports

BK1711100292 Islamabad Radio Pakistan Network in Urdu 0200 GMT 17 Nov 92

[Text] The eighth meeting of the Pakistan-China Joint Economic Committee has opened in Beijing, during which matters relating to further expansion of bilateral cooperation in economic, trade, scientific, and technical fields will be discussed. In his opening address, Sartaj Aziz, the federal finance minister and leader of the Pakistani delegation, said there is vast scope for the expansion of economic and trade cooperation between the two countries. He called upon China to increase its imports, especially cotton and chemical products, from Pakistan. Chinese delegation leader Li Lanqing said that the two sides should explore every possible way to increase bilateral cooperation.

#### Pakistani Minister Praises Friendship

OW1611125592 Beijing XINHUA in English 1223  
GMT 16 Nov 92

[Text] Islamabad, November 16 (XINHUA)—Friendship between Pakistan and China is a symbol of exemplary relations between two neighboring countries which have stood the test of time, a senior Pakistan official has said.

During a meeting with visiting Chinese writers delegation here today, Pakistan Federal Minister for Science and Technology Elahi Bux Sumroo also said that the cultural exchange program between the two countries is essential for the two peoples to learn from each other's literature and cultural heritage.

Scholars and experts of the two countries interact frequently to benefit from each other's knowledge and experience, he added.

The eight-member Chinese writers delegation, led by Yuan Houchen, arrived here on Friday [13 November] on a 15-day visit to Pakistan.

Writers delegations of Pakistan and China visit each other's country on an alternate year basis under a cultural exchange agreement between the two countries.

#### **NPC Vice Chairman Meets Indian Journalists**

OW1711024692 Beijing XINHUA in English 0216  
GMT 17 Nov 92

[Text] Beijing, November 17 (XINHUA)—Liao Hansheng, vice-chairman of the Chinese National People's Congress standing committee, met with a press delegation of India here this morning.

The delegation is composed of senior editors and reporters from major newspapers in India.

Wang Zheren and Li Xiande, both members of the secretariat of the All-China Journalists' Association, were present at the meeting.

### **West Europe**

#### **Vice Premier Zhu Rongji Continues Visit to UK**

##### **Meets British Minister**

OW1711014092 Beijing XINHUA in English 0129  
GMT 17 Nov 92

[Text] London, November 16 (XINHUA)—Chinese Vice-Premier Zhu Rongji today met British Trade and Industry Secretary Michael Heseltine for talks on the possibility of promoting the economic and trade relations between the two countries.

During the talks, Zhu said that the economic cooperation between the two countries could be complementary, as Britain is an industrialized country while China is a developing country.

Zhu said that China, which is rich in manpower and natural resources, is now embarked on establishing a system of socialist market economy.

Zhu said he expected a wide prospect of the complementary economic and trade cooperation between the two countries in the future.

Expressing his welcome to Zhu's visit, Heseltine said that Britain is willing to become a good partner of China in its economic and trade development.

Britain, Heseltine said, is planning to catch up other trade partners and become further involved in the Chinese market, according to a Chinese official.

Earlier, Zhu visited the General Electric Company, the London International Financial Futures Exchanges, the Lloyd's, the London Stock Exchange and the Shell International Petroleum. Zhu held talks separately with business leaders of these companies.

#### **Comments on Hong Kong**

OW1711060292 Beijing XINHUA in English 0542  
GMT 17 Nov 92

[Text] London, November 16 (XINHUA)—China hopes for cooperation, not confrontation on the issue of Hong Kong, visiting Chinese Vice Premier Zhu Rongji said here today.

Answering a question at the Royal Institute of International Affairs, the vice premier said the proposed changes by Hong Kong Governor Chris Patten on the territory's political system is a matter of principle.

On matters of principle, the Chinese Government and people have never been vague, Zhu stressed.

It was not China which started the confrontation on the issue of Hong Kong, the vice premier said.

He cautioned against miscalculations that China might be prepared to make some concessions from its stand on the matter of principle.

"We want cooperation, not confrontation, but no one should expect confrontation to force us into concessions from our stand on the matter of principle," he said.

China hopes that the British side will set great store by Hong Kong's prosperity and the mutual interests of China and Britain, and come back to consultation and cooperation as stipulated in the Sino-British Joint Declaration, he said.

Zhu said that the cooperation between the two countries had been good since 1984 when they signed the joint declaration, which aimed to ensure the smooth transition of power in Hong Kong in 1997.

After that, he said, the two sides have reached mutual understanding and agreements on the territory's political system which should be converge with the Basic Law, and signed a memorandum on the new airport.

These documents represent the foundation of cooperation between China and Britain during the period of transition, Zhu noted.

He said that the joint declaration conforms to the interests of the two countries and to the interests of Hong Kong.

On the changes in Hong Kong's political system proposed by the Hong Kong governor, the vice premier said both this practice and the contents of the proposals run counter to the relevant regulations and the spirit of the Sino-British Joint Declaration, and have created obstacles to the smooth transition of power in Hong Kong.

This has certainly aroused China's concern, and the dissatisfaction and objection of people of all walks of life in Hong Kong, Zhu said.

"People cannot help but ask whether we still have to stick to the joint declaration between us, whether the

important understanding and agreement that we have reached should go with the wind," he stated.

The Chinese vice premier made the remarks after delivering a speech on China's market economy.

### Further on Hong Kong Issue

OW1711091892 Beijing XINHUA Domestic Service in Chinese 0504 GMT 17 Nov 92

[Text] London, 16 Nov (XINHUA)—After having delivered a speech entitled "On the Question of Building Socialist Market Economy in China" at the British Royal Institute of International Affairs on 16 November, Chinese Vice Premier Zhu Rongji answered this question raised by his audience: "What is your comment on the difference between China and the United Kingdom over the Hong Kong issue?"

Zhu Rongji said: Maintaining the prosperity and stability of Hong Kong during the period of its transition and ensuring Hong Kong's steady transition as well as the smooth handing over of its political power in 1997 are the common responsibilities undertaken by the two countries according to the Sino-British Joint Declaration; it is in the interests of China, the United Kingdom, and Hong Kong. After China and the United Kingdom signed their joint declaration on the Hong Kong issue in 1984, their cooperation has been very good. After adequate [chong fen 0339 0433] consultation, both sides have reached a basic understanding and agreement on making the development of Hong Kong's political system and the "Basic Law" dovetail. Last year, they signed a memorandum of understanding on the airport. All this represents the foundation for cooperation between the Chinese and the British sides during the period of transition.

Zhu Rongji said: "However, the Hong Kong authorities recently proposed to carry out major changes of the political system of Hong Kong. This practice and the contents of the proposal obviously violate the relevant stipulations and spirit of the Sino-British Joint Declaration, run counter to the understanding reached between the Chinese and the British sides on making the development of Hong Kong's political system and the "Basic Law" dovetail, create obstacles to Hong Kong's steady transition and the smooth handing over of its political power, and jeopardize the long-term prosperity and stability of Hong Kong. Of course, this has aroused [yin qi 1714 6386] our concern, made the people in all walks of life in Hong Kong dissatisfied, and met with their objection. People cannot help asking the question of whether or not we still have to stick to the Sino-British Joint Declaration and whether or not the understanding reached between the Chinese and British sides is to be treated as 'scattering to the winds.' This is an important issue of principle. On an issue of principle, the Chinese Government and people absolutely have never been vague."

Zhu Rongji said: "Now, there is a confrontation over the Hong Kong issue. We did not start it. We hope to have cooperation, not confrontation. However, let no one be under the impression that confrontation can force us to make concessions over an issue of principle. Let no one make any miscalculations about this matter. We sincerely hope the British side will set great store by the overall situation of Hong Kong's prosperity and stability as well as the common interests of China and the United Kingdom and return to the track of consultation and cooperation as stipulated by the Sino-British Joint Declaration."

### Comments on Socialist Market Economy

OW1711061992 Beijing XINHUA Domestic Service in Chinese 0307 GMT 17 Nov 92

[Text] London, November 16 (XINHUA)—Chinese Vice Premier Zhu Rongji today made a speech here at the Royal Institute of International Affairs, entitled "On the Question of Building Socialist Market Economy in China," stressing that the Chinese people will advance unswervingly toward the established goal of reform.

The lecture was presided over by Sir Swire, chairman of the board of the Swire Group. More than 200 people from the British political, economic, news media, and academic circles attended the lecture. The atmosphere at the lecture was lively, and Zhu Rongji's answers to questions aroused frequent applause.

In his speech, Zhu Rongji said: "In the past decade and more, China has achieved great success in reform and opening to the outside world, which has become a focus of world attention. Our success has borne out the correctness of the theory of building socialism with Chinese characteristics founded by Mr. Deng Xiaoping, the chief architect of China's reform and opening-up." "The policy of reform and opening-up initiated by Mr. Deng Xiaoping has captured the hearts and minds of our people who will carry it on until all its set objectives are attained," he added.

Zhu said: "China's economic reform has all along been oriented toward the market. The just-concluded 14th CPC National Congress once again reaffirmed that the goal of China's economic restructuring is to build a socialist market economy. I believe that mankind has, through long practice, come to recognize fully and clearly the basic role of the market in the allocation of resources. This realization, as well as efforts to give fuller play to the role of the market, represent a most significant liberation of the minds of the Chinese people in the course of reform. It also shows the firm commitment of the CPC leadership, with Comrade Jiang Zemin at its core, to further reform and opening-up."

Speaking of China's price reform, Zhu Rongji pointed out: "China takes an incremental approach in the economic reform, particularly price reform." He said: "Having lived with price reform for more than 10 years, people have become more familiar with and adapted to



market mechanisms. Both economically and psychologically, they have a stronger ability to operate under market forces and they have developed a certain awareness of these forces."

Zhu Rongji said: "A socialist market economy must be open to the outside world. China's market is already rather closely integrated into the world market, and China's economic relations and trade as well as technological cooperation with other countries have expanded greatly."

Zhu Rongji said: "We believe that we can operate our economy along the market model while maintaining a socialist system with public ownership as the mainstay, a system that upholds social justice and brings prosperity to all, a system that can make use of foreign funds and advanced technology and managerial expertise while preserving our socialist ethics and the fine Chinese cultural heritage. In light of this, we are fully confident of realizing our strategic objectives set for the second step of our modernization drive by the end of this century."

In briefing the audience on China's current economic development, Zhu Rongji said: "At present, China's economy is developing at a relatively high speed and in a sound way. This economic dynamism comes from the economic potential released by more than 10 years of reform and opening-up. Such development has its objective conditions and material foundation: First, guided by Deng Xiaoping's concept of reform, China's agriculture has not only successfully solved the problem of feeding the Chinese people, but has large quantities of reserve grain. Second, our production of consumer goods greatly exceeds the market demand of urban and rural residents. What we are worried about now is not a shortage of goods on the market, but a surplus of them; the production capabilities of factories now cannot be brought into full play. Third, our heavy industry has some foundation, and it can produce most of the energy, raw and semifinished materials, and technical equipment we need. Fourth, the economy of our country is turning step by step from a closed economy into an open one which vigorously makes use of international division of labor and international exchange, and the import and export trade now accounts for one-third of our gross national product. We have certain foreign exchange reserves. Our environment for attracting foreign capital has noticeably improved. We can regulate our surpluses and make up for our insufficiencies from the international market in order to support our domestic economic growth."

In view of some foreign friends who are worried about China's economy becoming overheated again, Zhu Rongji said: "This is quite understandable. The Chinese Government is also fully aware of many problems in the structure and efficiency of the national economy and the restraint on further growth by some bottleneck sectors, such as transportation, energy, and important raw and semifinished materials. We always keep a cool head and

are taking measures to solve those problems. The Chinese Government is able to exercise macro-economic control and prevent structural imbalance and economic overheating."

## Latin America & Caribbean

### Chilean President Signs Joint Communiqué

OW1711044092 Beijing XINHUA in English 0431  
GMT 17 Nov 92

[Text] Beijing, November 17 (XINHUA)—China and Chile issued a joint communiqué here today at the end of a state visit to China by Chilean President Patricio Aylwin Azocar.

President Aylwin arrived here November 13 at the invitation of Chinese President Yang Shangkun. The visit was the return call to President Yang's state visit to Chile in 1990.

The communiqué said both sides stressed the historic significance of the visit, the first China visit by a Chilean president, which marks the beginning of a new stage of the bilateral relations.

The communiqué noted that Chile was the first South American country to establish diplomatic relations with the People's Republic of China. The two state leaders expressed satisfaction with the traditional friendship between the peoples of China and Chile and the extensive cooperation between the two countries, the communiqué said.

They expressed the belief that the bilateral relations of friendly cooperation will keep developing at the highest level, the communiqué added.

The Chilean side reiterated that the People's Republic of China is the sole legitimate government representing China, and Taiwan is an inalienable part of Chinese territory, the communiqué said, adding that the Chinese side expressed appreciation over this position of the Chilean Government.

The communiqué said that the two heads of state agreed that the establishment of a new international political and economic order should be aimed at promoting stability and justice as well as maintaining world peace.

This will offer new chances for increasing understanding, dialogue and cooperation in the international community on the basis of the principles of the United Nations Charter and the five principles of peaceful co-existence, the communiqué said.

Yang said that there is a growing tendency among the developing countries to safeguard independence and sovereignty, unity and cooperation and that China and Latin American countries, all developing countries, are willing to make efforts for closer Sino-Latin American relations.

Aylwin pointed out the importance of consolidating the democratic system in Latin American countries, saying that the stability of a political institution of democracy is an indispensable requisite for economic and social development, the communique said.

The two presidents also voiced their support for a continued active role of the United Nations and its Security Council in safeguarding world peace and security, advancing the process of disarmament, promoting international economic cooperation and development, and resolving international disputes, the communique said.

It said that President Aylwin expressed his satisfaction over China's important role in the UN Security Council, in particular its role in pushing forward the peace process in Cambodia. President Yang also expressed appreciation for Chile's active participation in the UN peace-keeping activities in Cambodia, the communique said.

The communique said that President Aylwin thanked China for its support to the Chilean Government's initiative for the convocation of an international summit on social development, and the governments of the two countries expressed willingness to contribute to the convening and success of the summit.

With regard to Asia-Pacific cooperation, the two countries stressed the importance of strengthening the existing bodies, especially the Pacific Economic Cooperation Council (PECC) and the Asia-Pacific Economic Cooperation (APEC) conference, the communique said.

In the economic sector, the communique noted, the two presidents were satisfied with the outcome of the 13th joint committee meeting between the two countries, which was held in Beijing recently. They decided to instruct the relevant departments of the two countries to carry out studies necessary for concluding an agreement on promoting and protecting investment as soon as possible.



## Political & Social

### Li Ruihuan Addresses United Front Work Forum

OW1711120992 Beijing XINHUA in English 0957  
GMT 17 Nov 92

[Text] Beijing, November 17 (XINHUA)—Li Ruihuan, member of the Standing Committee of the Political Bureau of the Chinese Communist Party (CPC) Central Committee, stressed here today that the United Front work must be done under the guidance of Deng Xiaoping's theory of building socialism with Chinese characteristics.

Li made the remark at a forum of democratic parties, the All-China Federation of Industry and Commerce and non-party figures.

He noted that the multi-party cooperation and political consultation system led by the CPC is the basic political system.

He pointed out that the basic political system will last long and affect many other systems.

Li said that the basic political system will play a key role in the unification of China and revitalizing the country.

On the significance of the 14th National Congress of the CPC, he pointed out that the most important success of the congress lies in affirmation of Deng Xiaoping's theory of building socialism with Chinese characteristics.

He said that the theory is the new fruit of the combination of Marxism with China's realities and it is Marxism of contemporary China.

Li noted that it is important to unite people to the largest extent and to bring initiatives of all sectors into full play.

He urged the democratic parties to play their special roles in realizing the task of the United Front.

By the end of this year, the democratic parties will hold their congresses respectively and elect new leaders. Li expressed his wish for the success of the congresses.

Rong Yiren, Sun Qimeng, Lu Jiaxi and Qian Weichang attended the forum.

### Former Editor on Defunct Shanghai Journal

HK1711055292 Hong Kong SOUTH CHINA  
MORNING POST in English 17 Nov 92 p 12

[By Kent Chen]

[Text] The former deputy chief editor of the Shanghai-based World Economic Herald [SHIJIE JINGJI DAOBAO], Zhu Xingqing, said the liberal publication should not be resumed under the current political atmosphere.

The Herald, attached to the Shanghai branch of the Chinese Academy of Social Sciences, was closed down in May 1989 for its role in the pro-democracy movement, and Zhu was sacked from the institution last year.

Speaking in Hong Kong on his way to Australia, where he will take up a fellowship at Melbourne's Monash University, Zhu said the current political atmosphere was not conducive to the freedom of the press.

He noted that friends close to senior Chinese leaders, including party boss Mr Jiang Zemin and Politburo member Mr Li Ruihuan, had hinted that the Herald could be resurrected.

But two conditions were understood to have been attached: The Herald could no longer be involved in politics and the original senior editorial staff could not be restored.

"With so many restrictions, the Herald could no longer be as lively as it had been before it was closed in 1989 and readers will think we are not as capable as then. It will be a thankless task," Zhu said.

"But if we try to be lively, we will inevitably annoy the authorities," he added.

Zhu said the day the Herald could be reinstated, the political atmosphere would have been much improved—and the role of the paper would become less significant.

"We will feel very relieved then because it is quite tragic that a normal publication like the Herald should have attracted all this attention," he said.

Zhu believed if China's economic development continued to prosper, the publication industry would grow more diversified.

"Joint venture or foreign-funded newspapers could be approved if they only focus on economic affairs," he said.

"As long as a publication is not dangerous to the communist regime, it will be allowed to exist."

### Article Views Changing Cultural Attitudes

HK1711050792 Beijing CHINA DAILY in English 17  
Nov 92 p 4

[Article by Xi Mi from the "Opinion" page: "Chinese Culture Enters 'Re-Oriental' Era"]

[Text] Swirling snowflakes danced in the searing wind between the still-golden ginkgoes and the evergreen pines on the age-old campus of Beijing University.

The poplars bared their branches to the cold, slowly accumulating the pure white flakes.

There were hardly any people outside, except the few heading toward a lone modern building that nestled amid ancient temple-like houses.

A notice hung on a nearby news-stands: "Chinese Literature in the Re-Oriental Period"—a lecture by Professor Yue Daiyun.

A crowd of young people slowly grew in front of the hall, as the door was locked.

The old man who held the key refused to open the gate, saying it was still too early. But the corridor could no longer hold the gathering crowd and some of the people spilled out into the open air.

Soon a quarrel broke out between the students and the gatekeeper, but the old man held on. As the crowd built up, though, so did the pressure and his anger and he ended up giving in, full of indignation. When the door opened, the young people dashed in, rushing for the front seats, and soon the room was filled to the brim.

"I hope the lecture won't be cancelled for the snow," a student said.

"Here Professor Yue comes!," replied another with relief. A middle-aged woman marched into the room and onto the stage.

"I had not expected so many people to come—it is Saturday afternoon and it is snowing.

"But since so many are present, I am overjoyed. Do you know that you've testified to the absurdity of some people's assertion that now the youth in China only care for money?"

The audience received Professor Yue's remarks with laughter and applause.

Professor Yue Daiyun's lecture was one of a series on Oriental culture sponsored by China's Association of Oriental Studies and International Academy of Chinese Culture.

The series covered topics ranging from Chinese philosophy, Buddhism, medicine to music, fine arts and calligraphy—addressed by well-known scholars such as Ji Xianlin, Zhang Dainian and Ren Jiyu.

Their lectures are some of the latest efforts dedicated to the research of Oriental culture. In recent years, Chinese scholars have established numerous institutions, published a series of books and held many symposia to preserve and promote Chinese traditional culture.

Though short of funds, the ambitious Professor Ji Xianlin plans to spend 10 years compiling a collection of works that cover virtually all the fields in each Occidental nation.

The encyclopedic endeavour is to fill hundreds of volumes. The professor is 81 years of age, something he seems unaware of.

Professor Yue explained to the students that Chinese culture is in a re-Oriental period.

In this period, people will question the authority of mainstream culture and re-evaluate once-criticized or neglected ideas.

There will be no final conclusions, no absolutely correct conceptions or totally wrong theories, she said. Everything will be given a new interpretation in a new perspective.

This re-Oriental period would also place great stress on the co-existence of different—even conflicting—viewpoints. More variety, more vitality. Cultures that remain impassive to changing circumstances, she said, would have no future.

The ingredients to nurture a new culture come from abroad, she said, and from the culture's once shunned marginal areas, as well as from progress made in science.

Europe used to occupy a central place on the stage of world culture. The definition and position of Oriental culture was usually given in the Western way, therefore resulting in a distance between reality and its representation.

Now, nations that have freed themselves from colonialism want to have their say. When it comes to literature, uncertainty, disorder, lack of a centre and the suspicion of authority, amount to deconstruction, which, according to Professor Yue, partly explains present Chinese literary trends.

Veteran writer Wang Meng summarized those trends recently, saying literary works from 1989 to the present could be classified into five schools.

The first is those writers who proclaim to regard writing and reading as a pastime.

In a certain sense, the second category of writers also regard writing as a pastime, only they write calmly and not cynically. These writers, usually belonging to the older generation, prefer to take genuine pleasure in the leisure and comfort offered by life, such as tea, cuisine, gardening and antiques.

Third come the experimentalists, the practitioners of avant garde. Readers might feel disoriented when reading their works, which mix reality with history.

Fourth are the followers of neorealism. They refused to acknowledge the archetype of typical characters in typical environments as advocated by realism. Instead, they choose to portray life as it is, including its daily trifles.

While the first four schools are somewhat like an indirect reaction or a quiet provocation to mainstream literature, the fifth poses a head-on challenge. Such works are said to be written with blood not ink. A typical example is Zhang Chiengzhi's *Soul Diary*.

Professor Yue pointed out the influence of deconstruction is waning and that a new centre and new structure are in the making.

"In renovating traditional culture and fostering the formation of a new culture, China has, in the past 100 years, attached great value to Western civilizations," said Qian Guangpei, a researcher from the Beijing Academy of Social Sciences.

"But Western civilizations have always been remolded to the circumstances of China. For example, the development of 'one country, two systems' and socialist market economy theories are the typical Chinese answers to Marxism."

Of course the essence of traditional culture should also be incorporated into the new cultural system.

Professor Ji Xianlin attributed the new attention to traditional culture partly to the implementation of open policy, a process to evaluate traditional culture.

"While embarking on the path towards the outside world and in the process of cultural exchanges with other peoples, we know better what to choose from in our traditional culture.

"To have a better understanding of something familiar, we sometimes have to get away from it for a while," he said.

## Military

### 'Several' Army Divisions Moved Around Beijing

HK1711000492 Hong Kong THE STANDARD in English 17 Nov 92 p 1

[Report by "Our China Desk": "China Army Moves To Tackle Unrest"]

[Text] Several army divisions from the Shenyang and Jinan military regions are being stationed in areas surrounding Beijing to prepare for any unexpected events in the Beijing military region in support of the Yang brothers, according to Chinese sources.

The move coincides with a reshuffle in the military across the country to remove supporters of the Yang brothers from senior military positions.

The deployment was said to be aimed at ensuring the smooth change of military leadership that was decided by the 14th party congress.

The large-scale military reshuffle taking place was included in an instruction given to the previous Politburo by paramount leader Deng Xiaoping on 10 October to strip General Yang Baibing of all his military positions, the sources said.

Mr Deng severely criticised Gen Yang's appointment of personnel from the Beijing military region to senior military positions, which he said had resulted in factionalism.

The instruction given by the patriarch was in response to complaints by party chief Jiang Zemin during the ninth plenum of the party's 13th Central Committee about Gen Yang's empire-building ambitions.

"Mr Deng said in the instruction that Gen Yang had promoted too many officers from the Beijing military region since being given the power of overseeing personnel matters in 1987 when he became head of the army's political department," one source said.

"He also said the promotions had caused discontent among many in the army and must be stopped."

The patriarch emphasised that the army must be under the absolute control of the party and that any trend towards factionalism in the forces would not be allowed, the source said.

It was said that Mr Deng's instruction was made known to the senior military leaders in the central and the seven military regions soon after the party congress concluded on 18 October.

"Not only did these military leaders immediately begin the process of getting rid of Yang supporters, they also embarked on a massive propaganda effort of promoting absolute party control over the army," another source said.

The Yang brothers were estimated to have replaced at least 190 generals with their own supporters from the Beijing military region since Yang Shangkun was made first vice-chairman of the Central Military Commission in November 1989.

The brothers had put their men, also from the Beijing military region, in the leading positions of the armed police, the source said.

"Mr Deng was actually referring to these replacements engineered by the Yang brothers when he said in the instruction that no factionalism would be allowed in the army," the source said.

### Cao Shuangming Appointed Air Force Commander

HK1711133092 Hong Kong HSIN WAN PAO in Chinese 17 Nov 92 p 4

["Special dispatch": "Cao Shuangming Replaces Wang Hai as Air Force Commander"]

[Text] Beijing, 17 Nov (HSIN WAN PAO)—An informed source has disclosed that Lieutenant General Cao Shuangming, deputy commander of the Shenyang Military Region and its air force commander, has recently been appointed commander of the Air Force of the Chinese People's Liberation Army [PLA] to replace Gen. Wang Hai.

Lt. Gen. Cao Shuangming, 63, is a native of Linxian County in Henan Province. He joined the PLA and the



CPC in 1946. He was a detachment chief of a divisional instructional corps of the Second Field Army and took part in the Huai-Hai, Bo Jiang, and southwest campaigns. After the founding of the PRC, Cao Shuangming was sent to study in the Air Force Aviation School and graduated from this school in 1952. Subsequently he became a pilot.

In 1953 he served in the Korean war, during which he was a squadron leader of the Chinese People's Volunteers. After he returned to China, he was appointed a wing commander of the PLA Air Force and a battalion commander. In 1958 he shot down a Taiwan Air Force plane over the Fujian front line and was gloriously awarded a First-Class Merit Citation. Over the almost 20 years since this event, Cao Shuangming was appointed battalion commander, divisional commander, and deputy army commander of an Air Force air unit. He was also deputy commander and commander of a military region's air force. In 1978, he became deputy commander of the Shenyang Military Region and commander of its air force. Cao Shuangming was promoted to the military rank of lieutenant general in October 1988 and was elected a member of the 14th CPC Central Committee in October of this year.

#### Commentator on Spirit of 14th Party Congress

HK1411024992 Beijing JIEFANGJUN BAO in Chinese  
4 Nov 92 p 1

[Commentator's article: "Leading Cadres Should Take the Lead in Studying Well"]

[Text] For leading cadres, and, in particular, leading cadres at the regimental level or above, taking the lead in studying well is the key to studying and implementing the spirit of the CPC National Congress well. Currently, on the basis of universally conveying the spirit of the 14th Congress, many troops have persisted in holding that leading cadres should study before others, strive to study better, and have a better understanding of the spirit. It is highly necessary to do so.

In implementing the spirit of the 14th national congress, leading cadres bear a great responsibility. Leading cadres at all levels of our troops are the organizers and executors of Army construction and reform. How soundly they study decides not only their own willingness and decisiveness to carry out the party's basic line, but also has a bearing on whether or not the spirit of the 14th congress can be genuinely implemented down to the troops. For leading cadres to study well means in itself the best mobilization for study among troops. The spirit of the 14th congress has very rich contents. In particular, the congress has systematically generalized and brilliantly expounded Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and has set the main tasks for China's reform and construction in the 1990's and the party's foreign policy, and has taken important measures to strengthen party building in the new period. In studying the spirit of the 14th congress,

stress should be given to the study of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, which is the latest achievement of integrating Marxism with realities in China and contemporary Marxism, which needs great efforts for one to master. Only when leading cadres study well before others and manage to learn something in their study can they better clear up doubts, relieve confusion among their subordinates, forcefully guide the troops in their study, and arm cadres and soldiers with the powerful ideological weapon with which to realize the new historical mission.

To take the lead in study, leading cadres should take the lead in intensively and carefully studying the 14th congress documents from beginning to end, repeatedly study them phrase by phrase, and strive to comprehensively and accurately master their essence. In particular, they should also study, in connection with Comrade Deng Xiaoping's numerous important expositions in the new period, the important talks he delivered at the beginning of this year when he toured south China, Comrade Jiang Zemin's important speech at the Central Party School, and the party's line, principles, and policies adopted since the Third Plenary Session of the 11th CPC Central Committee so as to have a good understanding of Comrade Deng Xiaoping's basic line of thinking on reform and opening up and socialist modernization and gain a clear idea of the formation and development of the theory of building socialism with Chinese characteristics and of Comrade Deng Xiaoping's tremendous historical contribution in establishing the theory. This will help us effectively raise our theoretical level.

Leading cadres should also combine their efforts in taking the lead in studying the 14th congress documents closely with the study of Mao Zedong's military thinking and Comrade Deng Xiaoping's important thinking and strategic policy decisions concerning Army building in the new period. Comrade Deng Xiaoping's thinking on Army building in the new period is part and parcel of the theory of building socialism with Chinese characteristics, a reflection of the basic laws governing Army building in the new period, a reply to the numerous major questions concerning the building of a regular and revolutionary Army with Chinese characteristics, and the basic and guiding ideology for Army building and reform in the new historical conditions. The main tasks of reform and construction in the 1990's as set out in the report to the 14th national congress clearly defined the task and requirements of our Army building. In connection with the study of the expositions concerning Army building in the *Selected Works of Deng Xiaoping*, we should gain a clear idea of the position and role of the Army in building socialism with Chinese characteristics; of the general objective of building a powerful, modern, and regular revolutionary army; of the basic principle of upholding the party's absolute leadership over the Army; of the principle of serving the state's economic construction, attaching importance to quality construction, and taking the unique Chinese-style path of training crack

troops; and comprehensively strengthening Army building in accordance with the general requirement of "being politically qualified and militarily competent, having a good work style and strict discipline, and ensuring adequate maintenance and supplies" so that the Army's fine traditions and the Red Army's true qualities can be passed down generation after generation.

Leading cadres should also combine their efforts in taking the lead in studying the 14th congress documents closely with the study of Marxist dialectical materialism, further master some of the most basic viewpoints in dialectical materialism, and strive to remold their subjective world while changing the objective world. Remolding one's subjective world means "completely changing one's thinking," as Comrade Deng Xiaoping has figuratively termed it. It means emancipating one's mind and discarding old, outdated, and other impractical concepts. Changing the objective world means combining the 14th congress spirit, the already set basic principles and tasks of Army building, and Comrade Deng Xiaoping's thinking on Army building in the new period with the actual conditions of the Army, formulating specific implementation plans, and carrying them out one by one. Formalism runs contrary to doing solid work in real earnest and must be firmly corrected. By saying that leading cadres should take the lead in studying documents well, we mean firmly overcoming formalism and improving leadership style. We are convinced that so long as leaders at all levels make effective efforts to set a good example in intensively and carefully studying documents, carry forward fine traditions, and do solid work in real earnest, they will be able to give impetus to the troops and work hard to achieve good results in studying and implementing the spirit of the 14th national congress, which is of primary importance.

#### Personnel Changes in Guangzhou Military Region

HK1711050492 Hong Kong MING PAO in Chinese 26 Oct 92 p 8

[Text] Since the 14th CPC National Congress, personnel rearrangements at all levels of the CPC, the government, and the Army have been made. As for the Army, there have been some changes among the leadership of the Guangzhou Military Region [GMR]. Lieutenant General Zhu Dunfa, former GMR commander, has been transferred to the north and succeeded by Lieutenant General Li Xilin, the former GMR chief of staff. Moreover, GMR Political Commissar Zhang Zhongxian will retire soon and will be succeeded by Lieutenant General Gao Tianzheng, the deputy political commissar.

Informed sources disclosed that three figures from the GMR have entered the 14th CPC Central Committee, namely, Commander Zhu Dunfa, Chief of Staff Li Xilin, and Deputy Political Commissar Gao Tianzheng. On the other hand, Political Commissar Zhang Zhongxian, a member of the previous CPC Central Committee, has withdrawn from the new one. He reportedly did so because of his close relationship with the "Yang's."

Since the 4 June 1989 incident, the "Yang's" gained power and made great personnel readjustments in the Army. Since former GMR Commander Zhang Wannian is on bad terms with Political Commissar Zhang Zhongxian (Zhang Zhongxian and Yang Baibing were schoolmates at the PLA Political Academy and they maintain a close relationship), he was transferred to the Jinan Military Region as commander. Lieutenant General Zhu Dunfa, deputy commander of the Shenyang Military Region, assumed the post of GMR commander. Despite the "Yang's" loss of power at the 14th CPC National Congress, 64-year-old Zhang Wannian not only retains his membership in the CPC Central Committee, but has also been appointed as one of four members of the Central Military Commission. It is rumored that he will assume the post of chief of the General Staff, while 66-year-old Zhang Zhongxian will withdraw from the CPC Central Committee and will retire soon.

On the morning of the day before yesterday, GMR organs called a meeting attended by some 1,000 CPC members and officers. The meeting, presided over by the new commander, Li Xilin, relayed the spirit of the 14th CPC National Congress, and Deputy Political Commissar Gao Tianzheng conveyed the 14th CPC National Congress and its spirit, while Zhang Zhongxian, who is political commissar and party secretary of the military region, only gave the concluding speech.

Lieutenant General Li Xilin, the new 61-year-old commander, is a native of Hebei's Ji County. He joined the Army in 1945 and the CPC in 1947. Since his graduation from the military academy in 1980, he has acted as the GMR's deputy chief of staff. He was promoted to chief of staff in 1985.

Gao Tianzheng, who is about to succeed the political commissar of the military region, is 61 years old now and a native of Hebei's Tong County. He joined the Army in 1948 and the CPC in 1949. After returning from the Korean war, he assumed the post of political officer in the Army. In 1988, he served as director of the GMR political department and was given the title of major general. A few years ago, He was promoted to lieutenant general and deputy political commissar.

Li and Gao are both CPC Central Committee members newly appointed at the 14th CPC National Congress. However, no information has yet been disclosed about the new post for 65-year-old Zhu Dunfa, the former military region commander, who is also a new member of the CPC Central Committee.

#### PLA Garrison Established in Haikou

HK1411032092 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 1 Nov 92

[Text] Yesterday morning, a ceremony was held at the Hainan Military District Headquarters for the establishment of the Chinese People's Liberation Army Haikou garrison of Hainan Province. Governor Liu Jianfeng, Zhang Zhiqing, provincial party committee Standing



Committee member and provincial military district commander; Zhou Qingshen, political commissar of [words indistinct] unit; and Haikou Mayor Zeng Haorong attended the opening ceremony.

Those who attended the ceremony also included Gong Pingqiu, Hainan Military District political commissar; Deputy Commanders Liu Chengbao and Zhang Deren; Deng Hanmin, deputy political commissar; Zhou Chuantong, political department director; and persons in charge of the [words indistinct] Armed Police Force border defense unit and concerned units of Haikou City.

The establishment of the Haikou garrison has been approved by the Central Military Commission, under the Hainan Military District and [words indistinct] of Haikou city CPC Committee. The military department of the Haikou City CPC Committee, [words indistinct] of Haikou city government, and also a leadership organ and administrative department in charge of Haikou's [words indistinct] work.

#### **Ex-Servicemen Help Develop Tertiary Industry**

*OW1411082392 Beijing XINHUA in English 0810  
GMT 14 Nov 92*

[Text] Hefei, November 14 (XINHUA)—More than 200,000 ex-servicemen have become a great force in the tertiary industry of east China's Anhui Province, sources from the provincial industry and commerce administration said.

Authorities of the province take it as their compulsory task and an important support to the Army to help retired soldiers placed in different jobs, mostly in the tertiary industry. They have signed agreements with army units for the training of soldiers in related working skills. Ex-servicemen who want to enter business are given help in acquiring technology, information, land use rights, loans and operation permits.

Now, ex-servicemen account for one third of all personnel in the tertiary industry of the province, and their business scope has expanded from mere household services to more sophisticated information services, product promotion and even establishment of various companies.

#### **Economic & Agricultural**

#### **Commentator's Article on Maintaining Economic Growth**

*HK1711115292 Beijing RENMIN RIBAO in Chinese  
15 Nov 92 p 1*

[Commentator's article: "Maintain Strong Momentum of Economic Development"]

[Text] This year has seen a strong momentum of economic development in China. Comrade Deng Xiaoping's talks during his southern inspection tour early this

year have pushed the economic development to a new stage, and the just-concluded 14th party congress will inevitably quicken the pace in reform, opening up, and economic construction.

The fine economic situation has found expression in many arenas: On the basis of enjoying bumper harvests for years running, agriculture has reaped another good harvest this year. Industrial production is experiencing a relatively high growth rate, with the convergence of production and marketing taking a turn for the better and economic returns improving with each passing quarter. Financial revenue and expenditure is sound. The market has ample supply, and foreign trade is continuing to increase. In short, China is enjoying political and social stability, and its economy is developing rather quickly.

To maintain the sound momentum of economic development, it is imperative that we maintain sobriety, be constantly on the alert, and earnestly resolve economic development problems as they appear. At the present time, there are some phenomena that genuinely call for our attention. For example, there has been a rather drastic rise in fixed asset investment, but such investment has failed to develop in the direction of optimal industrial setup, whereas the general processing industry and the repetition of low-level construction projects have somewhat revived. The bank is feeling greater pressure for loan and currency input, and funds for the arranged purchase of farm and sideline produce in some major grain and cotton production areas have not been made available in time. Industrial growth rate is high, but the problem of poor economic returns has not essentially taken a turn for the better. In addition, the blind pursuit of development and tourist areas without regard to the local conditions has surfaced in some localities. Although those problems do not represent the mainstream in the current economic situation, they have a bearing on the entire economy, and whether those problems can be resolved will directly affect the continued maintenance of the strong momentum of economic development.

Resolving these problems can be difficult; the key lies in leadership at all levels acquiring a common understanding. Our understanding should be unified on the basis of the spirit of the 14th national congress, adherence to the identity of emancipating the mind and seeking truth from facts, proceeding from reality, paying attention to doing that which one is capable of, and doing a good job of comprehension and balancing. At the same time, we must refrain from rushing headlong into mass action at the mere mention of faster development, retrogressing to the former path of neglecting economic returns, onesidedly pursuing output value, comparing and competing with each other, blindly launching new projects, and expanding the scope of capital construction without restraint. Our general requirement is to grasp the opportunity and speed up development. This is a strategic requirement set out in accordance with the real international and domestic situation; all localities should

implement this strategic requirement of adhering to proceeding from reality. The economic conditions of various localities are different, and so are their development levels. Their growth rates should not keep pace with one another. It is imperative that we determine the growth rate in accordance with our own existing conditions. Those localities with mature conditions should quicken their development speed, and those localities with immature conditions should create the appropriate conditions and work hard to speed up their pace of development. That precisely means acknowledging differences. To acknowledge differences, one should refrain from blindly making comparisons with others, forcing quotas and tasks on each subordinate level. The rate we want is the real one which is based on improving economic returns. Growth rates that are set without proceeding from reality and attaching importance to economic returns will not last and will end in an economic downturn. Under such circumstances, both the opportunity for development and the opportunity for accelerating development will be lost. It is imperative that we earnestly implement the states' measures for macroscopic regulation and control from this vantage point.

To maintain the strong momentum of economic development, we should advocate doing genuine substantial work, and we should work very hard at deepening reform with great proficiency. The problems we have met in accelerating economic development today are also the old problems of the national economy. A fundamental reason for these problems is that the economic administrative structure has not been ironed out and suffers from friction in the operational mechanism. To basically resolve the problems that have perplexed us for many years, it is imperative to further deepen reform in a comprehensive way, convert the enterprise operational mechanism and government functions, and develop the market mechanism based on the requirements of building the socialist economic structure, so that the market will play its basic role in resource allocation under state macroscopic regulation and control. Deepening reform is a very arduous and complicated systems engineering project which involves extensive ground-work. The 14th national congress has clearly explained the fundamental policy, and now the most important thing is to firmly grasp its implementation. Leadership at all levels should focus energy on grasping deeper reform, especially on invigorating large and medium state-owned enterprises. If the need to "make comparisons" arises, a very important aspect of this process will be to see who makes a firmer stride in the work for deepening reform.

#### **Commentator Views Developing Tertiary Industry**

HK1711064392 Beijing RENMIN RIBAO in Chinese 7  
Nov 92 p 1

[Commentator's article: "Mobilizing Strength of All Sectors To Develop Tertiary Industry"]

[Text] The development level of a country's tertiary industry is a major indicator displaying the degree of socioeconomic development in that country. In the 20 years or so after the founding of New China, tertiary industry in our country did develop to a certain degree, but was basically in a restricted condition. Only after the Third Plenary Session of the 11th CPC Central Committee did it gain new vigor. Between 1979 and 1991, tertiary industry grew by an average annual rate of 10 percent, and the growth rate was higher than the GNP growth rate in the same period. The rapid rise of tertiary industry has played an important role in bringing more convenience to the people in their daily lives, promoting production development, and creating more jobs to solve the employment question. However, the tertiary sector in our country at present remains in a comparatively backward condition. In order to meet the needs of the new situation of accelerating reform, opening, and economic development, the CPC Central Committee and the State Council have made a decision to quicken the development of tertiary industry. In his report to the 14th CPC Congress, Comrade Jiang Zemin called for great efforts to promote the rise of tertiary industry. This is a major strategic policy of far-reaching significance.

To quicken the development of the tertiary sector, we first need to solve problems in our understanding. For a long time in the past, we used to consider modernization to be the building of more factories and the production of more products, and used to regard tertiary industry as a sector not creating wealth for society or increasing national income. As a result, we often carried out various restrictive measures to "control, hold back, restrain, screen, and rectify" tertiary industry and to constrain its development. This caused tertiary industry not to develop as it should have for a long time. We should realize that labor in tertiary industry is also human labor in the general sense. Just as in the course of producing material products, labor in tertiary industry also creates value. What is different is the fact that tertiary industry takes the products of primary and secondary industries as its basic material condition and mainly produces nontangible products in the form of services to satisfy the needs of production and people's livelihood. It should also be noted that as science and technology have progressed and became the primary factor of the productive forces, the intellectual factor is playing an increasingly decisive role in the process of production. As a "lubricant" and "synergist" for the operation of the national economy, tertiary industry also infiltrates the primary and secondary industries and contributes to the factors of material production, thus forming a strong driving force for the development of primary and secondary industries.

To develop tertiary industry, we also need to break the old idea which holds that people engaged in tertiary industry, especially in commercial and service work, are inferior to others. Historically, traditional ideas existed which attached importance to agriculture and industry and restricted commerce. It obstructed the development

of the commodity economy in our country. Today, in the course of reform and opening, we should thoroughly discard these conceptions, establish a new attitude in picking jobs, and have a sense of honor about taking jobs in tertiary industry.

The development target for tertiary industry set forth by the party Central Committee and the State Council is, in a period of about 10 years or longer, to gradually set up a unified socialist market system suited to our national conditions, a socialized comprehensive service system in urban and rural areas, and a social security system. The growth rate of tertiary industry should be higher than those of primary and secondary industries, and the proportion of added value created by tertiary industry in total GNP and the proportion of people holding jobs in tertiary industry out of the total working population should gradually be raised to the average level for developing countries or to a level close to it.

At present, focusing closely on the goal of establishing a socialist market economy, we should begin to foster a unified socialist market system, a socialized comprehensive urban and rural service system, and a social security system through stressing the accelerated development of trades which require less investment, yield quick returns, achieve good economic results, provide more jobs, and have a major bearing on economic development and the people's livelihood; new trades that are related to scientific and technological progress; and basic trades that will have a guiding impact on the overall development of rural tertiary industry and the national economy as a whole.

Relaxing policy is the primary precondition for the development of tertiary industry. Most trades in tertiary industry have the main characteristics of being scattered widely, highly mobile, requiring small-scale investment, and mainly providing labor services. Investment can be more effectively made by collective, private, and individual enterprises in these trades. Apart from railways, highways, major port facilities, airports, postal and telecommunication facilities, scientific research projects, education, and urban public utilities, which should mainly rely on state investment and should be run mainly by the state with the support of all social forces, other sectors of tertiary industry, including service trades, recreational facilities, and public welfare undertakings, such as commercial institutions, restaurants, kindergartens, beauty parlors, repair shops, transport services, taxi services, consulting services, and household services, should be run on the basis of mobilizing and relying on the strength of all sectors in society. All types of state-owned enterprises and institutions, urban and rural collective economic organizations, and individuals should be allowed to run such undertakings freely. It is necessary to constantly encourage state institutions, collectives, and individuals to take action and ensure that those who invest will also own the businesses and benefit from the undertakings, thus fully arousing the enthusiasm of all quarters in running undertakings in tertiary industry. It is necessary to simplify

registration procedures for new enterprises in the tertiary sector. The monopolies of some departments and localities should be broken and fair competition should be protected. At the same time, laws and regulations concerning tertiary industry and especially market management should be formulated and perfected without delay in order to improve the rules of market competition, maintain market order, and bring the development of tertiary industry onto the healthy path of the legal system.

Establishing a self-development mechanism full of dynamism in the orientation of running profitable enterprises based on local communities is an important link in the development of tertiary industry. It is necessary to change the tendency in some trades of the tertiary sector, which rely on financial appropriations and subsidies over a long time, as they are run as nonprofit-making public welfare institutions. It is necessary to give self-management powers to state-owned enterprises in the tertiary sector by allowing them to adopt different flexible operational forms and to expand their business scope. Conditions should be created to gradually socialize and marketize enterprises and institutions in the tertiary sector as well as the logistics and welfare facilities of various units.

It is necessary to encourage the transfer of personnel, funds, and equipment from the primary and secondary sectors to the tertiary sector. On the one hand, it is necessary to encourage personnel in secondary industry and in administrative institutions to quit factories and offices and engage in a tertiary sector providing services for production and people's livelihood. On the other hand, it is also necessary to encourage enterprises in the tertiary sector to take over industrial enterprises which have problems in their operations and need to be closed down or merged into other enterprises in other economic sectors or in other localities. It is necessary to create the convenience and conditions for transfers of assets and personnel. College and university graduates and demobilized servicemen should be encouraged to work for enterprises in the tertiary sector.

It is necessary to pay special attention to the development of tertiary industry in rural areas and actively establish the rural socialized service system. Township and town enterprises and peasants should be guided to run tertiary enterprises in small towns, build markets and other basic facilities in small towns, and promote the transfer of labor from the agricultural to the nonagricultural sector. At the same time, peasants should be encouraged to run tertiary industry in the countryside.

Action should be taken to make use of overseas funds, technologies, and marketing channels to develop tertiary industry. Foreign investment should be attracted to develop transportation facilities. In cities where the necessary conditions are ripe, foreign funds can be used to develop educational undertakings in natural science, management science, and vocational training on a trial basis.



Developing the tertiary sector is a grand cause having a direct bearing on the well-being of the people, and it also concerns the fulfillment of the second-step and third-step strategic objectives in our country's economic development. We should, under the guidance of the spirit of the 14th CPC Congress, closely grasp historic opportunities, make use of all favorable conditions, quicken the pace of development in the tertiary sector, and contribute to pushing our national economy to a new stage!

#### **'Pen Talk' Defines Socialist Market Economy**

HK1411020792 Beijing RENMIN RIBAO in Chinese  
26 Oct 92 p 5

["Pen Talk on Arming the Whole Party With Comrade Deng Xiaoping's Theory of Building Socialism With Chinese Characteristics" by Liu Guoguang (0491 0948 0342): "Brief Discussion on the Socialist Market Economy"]

[Text] The 14th CPC National Congress clearly stated that the goal of China's reform of its economic structure is to establish a socialist market economic structure. This decision is of great theoretical and practical significance. It is both the result of a better understanding of China's socialist economic theories and a demand if the practice of China's socialist economic reform is to develop further.

#### **The Result of a Better Understanding**

Since China is practicing reform and opening up, we have been continuously exploring target models for the economic structure. The core question of this is how to correctly understand and handle the relationship between planning and the market. For a very long time in the past, traditional concepts maintained that a socialist economy based on public ownership could only be a planned economy, not a commodity economy, and still less a market economy. People at that time maintained that a commodity economy could only be based on private ownership and that a market economy was within the capitalist economic scope. In practice, on the precondition of practicing a planned economy, socialist countries, of course, allow the existence of some commodities and markets. But commodities are only confined to exchanges between different types of ownership and the market can only exist at the side of the planned economy as its supplement. China did the same before reform was initiated, for instance, the proportion of planning was larger and little freedom was allowed, fair trade was allowed, and three categories of commodities were allowed on the market. On the whole, this strictly restricted the scope and functions of the market, theoretically negating the existence of a commodity economy and a market economy. This did not change very much until reform and opening up had been practiced. It was not until the Third Plenary Session of the 12th CPC Central Committee in 1984 that the proposition was clearly advanced on the basis of summing up the experiences of practice, and that a socialist economy was a planned commodity economy based on public ownership. This was an important breakthrough in socialist

economic theory regarding the question of planning and the market. Since then, it has played a positive role in promoting China's market-oriented reform.

However, since the planned commodity economic theory was advanced, people have understood it differently. Regarding the proposition of a "planned commodity economy," some comrades stress the aspect of "planning" and continue to maintain that a planned economy is an essential characteristic of a socialist economy. Some comrades stress the aspect of a "commodity economy," maintaining that a commodity economy is the essential characteristic of a socialist economy, which is juxtaposed with public ownership and distribution according to work. While everyone agrees that planning and the market have to be integrated, some comrades maintain that planning is the main body and the market is the supplement. Some comrades maintain that market regulation is primary and planning regulation is secondary. In the practice of dealing with the relationship between planning and the market, we sometimes tilt toward the market and sometimes stress concentrating on planning according to changing situations. This unsettled understanding and vacillations in practice show that although we are continuously going forward amidst probing on the question of planning and the market, there are uncertainties that require us to make continued efforts to unravel them.

The reason this question has become a difficult point is that it is often not easy to dispose of sensitive questions regarding ideology. For a long time in the past, we were not alone in restricting the planned economy and the market economy to the scope of social systems. Western economists also often equated market economy with capitalism and equated a "centrally planned economy" with socialism. On the one hand, we were habitually tied up with our own traditional concepts. On the other hand, we unconsciously further improved ourselves by borrowing Western concepts. One hardly realized that some Western scholars had done this for the purpose of covering up the exploitative essence of a capitalist economy with the general characteristics of a market economy. Against this background, even after acknowledging the concept of a socialist commodity economy for some time, people are still worried about the market and fear that when the market is emphasized, it will lead to capitalism. As a result, it is difficult for them to break their shackles with regard to the view of regarding the planned economy and a market economy as within the scope of the basic system of society. This has hindered people from understanding the irreplaceable role of market mechanisms in optimizing the allocation of resources; they harbor misgivings about "orienting" reform to the "market." Consequently, they do not take big steps in the practice of reform.

Precisely because of the doubts and difficulties mentioned above, Comrade Deng Xiaoping once again expressed his brilliant views on the question of planning and the market in his remarks during his southern tour



earlier this year. As early as 26 November 1979, Comrade Xiaoping said: "Why is it not possible for a socialist country to practice a market economy?" He reiterated this view in remarks made in 1985. In his remarks this time, he made further in-depth elaborations. Comrade Xiaoping pointed out: "Planned economy is not equal to socialism. Capitalism also has planning. A market economy is not equal to capitalism. Socialism also has markets. Planning and the market are both economic means. A greater degree of planning than the market or vice versa is not the basic distinction between socialism and capitalism." This scientific inference has once and for all eradicated the traditional concept of taking the planned economy and the market economy as the basic systems of society. It has diagnosed and cured the "capitalist-phobia" which we always suffered from on questions related to the market and the market economy, and has stimulated people to reconsider taking the socialist market economic structure as a target model for economic reform. The fact that the 14th CPC National Congress made a clear and affirmative decision on this is another great emancipation of the mind and another important breakthrough in socialist economic theories following the theory of a "planned commodity economy" advanced in the early 1980's.

#### **Demanded by the Development of Practice**

In the history of economic development, the market economy preceded a planned economy. A market economy is a product of the development of a commodity economy to a high degree. It demands that all social and economic materials flow freely in a single domestic market, are effectively allocated, and can be extended to the international market. The formation of a modern market economy promoted the vigorous development of the capitalist economy, and yet, at the same time, the internal contradictions of capitalism became acute. When the market economy developed in the early 19th century, periodic economic crises began to emerge, which led to social disasters, such as the closing down of factories and workers being laid off. From then on, such crises became more and more acute. In view of this great weakness of the market economy, governments of various countries took two different economic countermeasures or took two different roads.

The first road was that, in the middle of the 19th century, scientific socialists put forward the idea of developing the economy in a planned way and proposed the planned economy. This proposition was put into practice following Russia's October Revolution in the early 20th century. After the two world wars, it was also promoted in some other socialist countries. Countries practicing a planned economy have had both experiences of success and lessons from failure. Practice proves that given a comparatively low level of economic development, a comparatively small construction scale, a comparatively simple economic structure, a comparatively simple and centralized development target (such as coping with the questions of war, crises, disasters, and the provision of

enough clothing and food), and given a closed or semi-closed situation, it is easier to succeed by practicing a planned economy. However, following an expansion of the scale of economic development, and when the economic structure becomes complicated, development targets become diversified, people's everyday demands increase, and foreign economic relations become more and more open, if a planned economy is pursued too rigidly, it will be difficult to bring people's initiatives into play. This will lead to a decrease in economic returns and growth rates and to difficulties in resolving the problem of shortages of materials and consumer goods in particular. In order to further release and develop social productive forces, the task of implementing radical reform in a traditional planned economy has been placed before socialists.

The second road is that, by the second half of the 19th century, Western capitalist countries began to look for ways to cure the diseases of the market economy under the framework of a market economy. In particular, the period following the Great Depression of the 1930's, saw the emergence of government intervention in the economy, which was represented by Roosevelt's "New Deal" in the United States and the theory of macroeconomic management, which was represented by Britain's John Maynard Keynes in his book *The General Theory of Employment, Interest, and Money*. This theory has generally been accepted by various Western countries since the war. Governments of these countries exercise macroeconomic regulation through such means as financial and monetary policies. Some countries even came up with guiding plans, and many countries pursued social welfare policies. Since these countries' framework, which takes private ownership as the main body, remains unchanged, it is impossible to completely eradicate disturbances stemming from basic capitalist contradictions. However, the practice of the abovementioned macroeconomic regulation and social welfare policies has alleviated periodic economic crises and social class confrontation. Moreover, coupled with several strong waves of scientific and technological innovation since the war, modern capitalism can not only "survive," but possesses considerable vitality and life.

One can learn from the above that a planned economy and a market economy have experiences of success and failure in different historical periods and conditions. However, viewing overall efficiency, a modern market economy has been proven to be a more effective operational mechanism than a traditional planned economy. This objective reality has ultimately become one important reason for the change in the East-West pattern.

At the founding of the PRC, China practiced a planned economy. During the first Five-Year Plan, we succeeded in it, thus enabling China to basically succeed in building an industrial system centered on heavy industry and which emphasized construction in remote regions and a national economic system. However, in the course of practicing a planned economy, distortions and great fluctuations once occurred in China as well. Shortages of

materials and persistently low efficiency were once incurable diseases in China's economic life. Since the Third Plenary Session of the 11th CPC Central Committee, directing attention toward these problems, we adopted market-oriented reform steps at the right time. The changes China's economic reform has brought about over the past dozen years or so include the diversification of the ownership structure, the marketization of the main body (enterprises) of the economy, the cultivation of the market system, and the fact that government's management of the economy has gradually become indirect (namely, management through the market). These changes are reflected everywhere by the process of ever-expanding and deepening market-oriented reform. Facts have proven that the deeper market-oriented reform is implemented by a locality, department, sector, or enterprise, the greater the economic vitality it possesses and the higher its growth rates will be. Why have China's southeastern coastal areas developed more quickly than any other place in China over the past dozen years or so? And why has Guangdong developed quicker than Shanghai given the fact that they are both near the sea? [question as published] Why have large and medium-sized enterprises, whose economic strength is the most powerful, not developed as well as nonstate-owned economic sectors? One of the important reasons is that market-oriented reform has made a different degree of progress. Judging China as a whole, for the past dozen years or so since reform was initiated, its overall economic strength has greatly improved, market supplies have become unprecedentedly abundant, people's living standards have obviously improved, and the masses of workers and peasants have wholeheartedly supported the party and supported stability. This is an important reason China could stand despite the rigorous trial of several years ago. From one aspect, this also shows that it is sensible that China has chosen the way of market-oriented reform.

During the 1980's, China made great progress in its economy. In the 1990's, we must firmly seize the favorable opportunity to quicken development on the basis of optimizing the industrial structure, improving efficiency and returns, and maintaining steadiness and coordination. We also need to further open up, resume our GATT membership, make great strides toward the international market, and participate in international competition. All this badly demands that we attach more importance to and bring into play the guiding role of the market in the allocation of resources, and that we clearly put forward the socialist market economic structure as the goal of China's economic reform. We must properly integrate planning and the market, which are two forms or means of allocating resources, on the basis of the socialist market economic structure. Whenever the market can resolve problems, let it resolve them; and those that the market cannot control or does not control properly must be controlled by the government by means of policy and planning. A modern market economy not only includes government macroeconomic regulation and planning guidance, but must use and rely on them to make up for

deficiencies in the market itself. Of course, this kind of planning regulation is not traditional planning that mainly uses administrative commands, but planning that meets the requirements of the rules of a market economy and which is mainly policy and guidance planning. Moreover, it does not exclude control over necessary administrative commands given by some key sectors of the national economy.

#### **The General Character and Characteristics of the System**

The socialist market economic structure that we need to establish is a market economic structure under the conditions of the socialist system. It has the general character of a market economy as well as the basic characteristics of the socialist system.

The market economy is one that uses the market as the fundamental form and major means of allocating resources. It is a means of resource allocation objectively needed for all commodity production to develop to the stage of socialized mass production and basically does not owe its existence to the nature of a social system. Comrade Xiaoping pointed out: "The economic means of a socialist market are basically similar to those of capitalist societies." This refers to things with a general character of practice in a market economy. Under the conditions of a capitalist system, the market economy, of course, also has some of the basic characteristics of a capitalist system, such as taking private ownership as the basis, profit making as the sole objective, and various other capitalist weaknesses deriving from this; this is what we must not learn indiscriminately. Apart from this, we can use or use for reference those rules, forms, means, methods, and so forth used for the operation of a capitalist market economy.

So what is the general character of a market economy? I think there are the following major points. First, enterprises are legal persons subject to the market. They should be able to make their own policies independently, operate independently, and independently assume sole responsibility for profits and losses. Second, all kinds of products, services, currencies, and production factors, which include capital and labor, can flow freely according to the cost-price profitability, and supply and demand are freely adjusted to set equilibrium prices. Third, constant motivation for and pressure on enterprises, which are the subject of the market, through sensitive market messages, for instance, prices and competition mechanisms so that resources can be effectively allocated and that all kinds of social demands can be best met. Fourth, since the market structure itself has difficulty reaching complete competition and offering complete messages, and since market regulation as such possesses spontaneous and non-spontaneous characteristics, by solely relying on its own operation, it is difficult for a market economy to avoid periodic economic crises, achieve long-term economic stability, prevent polarization, and cope with such challenging future problems

related to ecology, the environment, and resource conservation. Therefore, in order to make up for these shortcomings, a modern economy necessitates governmental macroeconomic management and planning regulations to intervene in market operations. No doubt, things with the general character of a market economy as mentioned above also apply to the socialist market economy.

Besides possessing the same general characters of a capitalist market economy, the socialist market economy also possesses characteristics that are different from those of a capitalist market economy, and these characteristics are determined by the basic features of the socialist system. What then are the basic features of China's socialist system? As far as the political system is concerned, the most important is leadership by the CPC and the people's government. Overall, this regime does not seek private gain for any group or individual. Its objective is to serve the entire people. As for the basic economic system, the ownership structure takes public ownership (comprising state ownership and collective ownership) as the main body, and the individual, privately run, and foreign economy as supplements. Different forms of ownership can operate with different forms of combinations, and enterprises from all economic sectors and all operating forms can enter the market, compete in a fair way, and develop with one another. The leading role of the state-owned economy must be realized through market competition. Suited to the ownership structure, the socialist distribution system takes distribution according to work as the main body and distribution according to other production factors as the supplement and takes into consideration efficiency and fairness, while using market mechanisms to rationally widen differences and stimulate efficiency. Moreover, it uses a variety of regulatory means to prevent bipolarization and gradually bring about common prosperity. These special features of the socialist system will inevitably have an important influence on the operation of the market economy. With the CPC's leadership, with public ownership as the foundation, and with common prosperity as the goal, the market economy under socialist conditions should be more successful and better than capitalist market economies in handling the relationship between overall and local interests, between long-term and short-term interests, in handling interests between planning and the market and between microflexibility and macroscopic regulation, and in the relationship between stimulating economic efficiency and achieving social fairness. In this way, the operation of socialist market economic mechanisms will appear to have more spontaneity and planning. Of course, anything has a dual character. Although the conscious regulation of countries with a comparatively strong degree of operations in socialist market economic mechanisms is favorable to reducing the shortcomings of the market itself, new problems will probably arise as a result of the inappropriate regulation of planning or inappropriate degrees of macroscopic regulation. Therefore, the characteristics of a socialist market economy offer both a

certain degree of superiority for us to develop the economy, and demand that we understand and grasp the laws of a market economy in a deeper way.

Establishing a socialist market economic structure is a very complicated social systems project. It includes the reform of many important interrelated aspects and will take long-term, arduous, and careful work. It demands that our entire party, the people as a whole, and all quarters of society continue to make brave explorations, conduct courageous tests, promptly sum up experiences, and promote the change of China's economic structure on the basis of the successes we have obtained in market-oriented reform over the past dozen years or so. This will greatly promote the process of building socialism with Chinese characteristics and will enable China to achieve the second and third strategic objectives for its economic development ahead of time.

#### Article Views Transition to Market Economy

OW1611140992 Beijing BEIJING REVIEW in English  
No 45, 9-15 Nov 92 p 4

[By Geng Yuxin]

[Text] The 14th National Congress of the Communist Party of China (CPC), which concluded its session last month, declared that reform of China's economic structure is aimed at establishing a socialist market economic system. This important decision, which grew out of Deng Xiaoping's theories, is attractive, popular and generally welcomed by public opinion at home and abroad.

Integrating socialism with the market economy does not mean putting a political label on the market; instead, it marks a milestone in China's market-oriented economic reform. It is also a logical conclusion drawn from China's persistence in making the public economy the leading factor, constantly strengthening the role of market forces and rapidly developing the economy during the past 14 years.

Since economic reform began in 1978 with the introduction of the contract responsibility system based on household production, with remuneration linked to output in rural areas, and the opening of free markets, most Chinese agricultural and sideline products have ceased to be produced according to mandatory plans and prices have been decontrolled. Today, the prices of only six products—grain, cotton, tobacco, raw silk, tea and timber—are still set by the state, and they are all very close to market prices.

During the same period, the proportion of industrial production subject to mandatory planning decreased from the original 97 percent to the present 11.6 percent. In 1991, the proportion of consumer goods sold at state-set prices dropped to 21 percent and that of capital goods to 36 percent. A further fall in the number of goods carrying state-set prices is expected this year.



Over the past 14 years, individual, private and foreign-funded enterprise, which supplement China's public economy and are encouraged by state preferential policies, have developed from non-existence at rapid rates. In 1991, the value of their industrial output represented about 10 percent of the nation's total. Enterprises owned by the whole people and urban and rural collective enterprises have also undergone great development, maintaining their position as the mainstay of the economy.

It goes without saying that putting forward the new concept of a socialist market economy represents a major theoretical breakthrough. It has broken down the outdated notion that a planned economy means socialism and a market economy means capitalism. Just as Deng Xiaoping remarked early this year during his inspection tour of south China: "Whether the emphasis is on planning or market regulation is not the essential distinction between socialism and capitalism. Both planning and market regulation are economic means."

This idea of Deng's can be traced back to the initial period of reform and opening up. While meeting foreign guests on November 26, 1979, Deng said: "The saying that the market economy is limited to capitalism is definitely incorrect. Why can't socialism go in for the market economy? There had been an embryonic market economy in the feudal society. Socialism can also practice the market economy."

As the world changes, so do people's ways of thinking. This has been particularly true in the decades following World War II. Foreign experts attending a recent economic symposium in China pointed out that in today's world no country practices either a pure market economy or a pure planned economy. This of course implies that here exists in any country aspects of both planned and market economies. The forms of combination can be roughly divided into two categories, one based on mandatory planning, the other on the competitive market. The experiences of various countries over the past 40 years prove that the second form is more effective than the first in terms of rational allocation of social resources, the promotion of scientific and technological progress and the acceleration of economic development. This is especially true in the middle and late stages of industrialization.

After repeated comparisons of the two forms of combination, China has now chosen the combination based on the competitive market. This is, indeed, of epoch-making significance in the history of socialist economic development.

Answering the question of what the socialist market economy to be established in China will look like, theoretically, will require further exploration. It remains to be seen through the tests in practice of the deepening reform. The unanimous view of Chinese specialists is that the new system has points in common with capitalist market economies with respect to the development

of socialized, large-scale production and the market system and with respect to the establishment of a market mechanism. China will boldly absorb the successful experience of the developed countries; at the same time, the new system will remain related to the basic national condition at the primary stage of socialism, and it will have Chinese characteristics. A balance of social fairness and efficiency should be maintained between the two. Successes in earlier trial reforms of large state-owned enterprises have evidenced the possibility of doing so.

### **Economist Urges Free Firms as Step Toward Reform**

HK1511060592 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 15-21 Nov 92 pp 1, 3

[By Ren Kan: "Economist: Deepen Reform To Free Firms"]

[Text] A prominent Chinese economist suggests enterprises should be free to merge, sell and buy with each other as a step toward fostering deeper economic reform.

"Only through taking such steps can we really transform enterprises' operations and improve efficiency," said Professor Li Yining of Beijing University.

Li talked about freeing up enterprises so they could become part of the market system themselves just as if they were commodities. In China, the concept is called "property rights trading."

Li said more efficient enterprises should be free to grow bigger through mergers, while inefficient enterprises would be under pressure to perform well or risk being annexed.

The pressure would make enterprises strive harder for efficiency and try to become more competitive, he said.

The first step to freeing up enterprises in this way, Li said, is to change the ownership system so that the enterprises issue shares.

"Widening the use of shareholding system will contribute to the development of the property rights market," said Li, who is President of the Department of Economics and Management of Beijing University.

Li made these remarks at an international seminar that ended in Beijing on Friday [13 November].

The seminar involved about 300 international and domestic securities experts.

They gathered to discuss such things as the securities industry and markets in China, investment and corporate finance analyses, market analysis and regulation, and accounting and auditing.

Li suggested several ways of accomplishing the transformation of government-controlled enterprises into shareholding companies:

- Selling some proportion of stocks to employees to initiate their enthusiasm for the companies they are working with.
- Establishing holding companies that would distribute stock in the original enterprise or enterprises. This would allow the transformation to take place slowly.
- Relying on foreign investment to convert to a shareholding system. Under this plan, assets of State enterprises would be assessed and the enterprise would be converted to a shareholding company. Then, shares in the company would be sold to the foreign entity.

Having the government designate an organization to manage the enterprises while at the same time facilitating the transformation to a shareholding company.

In this example, said Li, the government would retain its right to the enterprises debt obligations. The government would transfer the enterprise's property in form of stocks to a property management corporation, investment company, or bank, while continuing to hold a certain part of the stock as a security for the debt.

- Permitting one enterprise to lease another and undertake the transformation of the leased company to a shareholding company.

Whatever method is used, Li said it's important that the system be standardized.

Over 3,000 shareholding enterprises have already emerged in China, but there are tremendous differences in how they are structured and how they were formed, he said.

"The establishment and transformation of shareholding enterprises in future should be strictly controlled and standardized," Li said.

#### **State Firms Suffer Losses as Private Firms Profit**

*HK1511060692 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 15-21 Nov 92 p 2*

[By Sun Wenge: "Industrial Output Rises, But State Firms Do Badly"]

[Text] Guangzhou—Guangdong's industrial production rose sharply in the first nine months of this year, but a major section of the province's production—that of State-owned enterprises—did worse than ever.

According to recent statistics from the provincial statistics bureau, the province's industrial output hit 190 billion yuan (\$34.5 billion) during the period, an increase of 29 percent over the same period last year.

September alone saw 23.6 billion yuan (\$4.3 billion) worth of goods produced, up 37 percent over September of 1991.

Industrial sales also rose. Sales were 181 billion yuan (\$32.9 billion) in the nine months, an increase of 28.9 percent over the same period last year.

The ratio of goods sold to goods produced was virtually the same in the first nine months as it was last year. Of the goods produced in the period, 94.7 percent were sold, which was 0.15 percent higher than the year before.

Among the 20 cities in the province, 15 saw sales increases of more than 20 percent versus the same period last year. Guangzhou, Shenzhen and Zhuhai led the way.

Industrial exports grew quickly and steadily. Between January and September, total exports in Guangdong reached 59 billion yuan (\$10.7 billion), up 36 percent over the same period last year.

Enterprises independent of State control did well in the period. Such businesses earned profits of 5.4 billion yuan (\$1 billion), which were 36 percent higher than last year.

However, in sharp contrast to the success of independent firms, the State-owned didn't fare as well.

Statistics show that from January to September, State-owned industrial enterprises that made money saw their profits fall by 15 percent.

And for the State firms that lost money, the losses increased dramatically. Losses increased 76 percent among those already losing.

Statisticians attributed the higher losses to sharply higher costs for raw materials and shipping that have resulted from the country's economic boom.

Increasing welfare costs such as housing subsidies and pensions also added a burden to the State enterprises.

Production in certain main industries also dropped severely during the period.

In September, 20 factories producing nitrogenous fertilizer and phosphate fertilizer ceased operations. They were victims of stiff competition from imported chemicals.

Cotton yarn production decreased nearly 8 percent from the same period of last year because of high costs and slow sales.

Experts urged local industrial enterprises to improve their quality and the variety of goods they produce as well as sales management to sharpen their competitiveness in both domestic and overseas markets.

#### **Li Lanqing on Speeding Up Foreign Trade Growth**

*OW1711113892 Beijing XINHUA Domestic Service in Chinese 1105 GMT 12 Nov 92*

[By reporter Zhang Yi (1728 3015)]

[Text] Beijing, 12 Nov (XINHUA)—This morning, at the public lecture held by the Central Propaganda Department, the Work Committee for Organs Under the Central Committee, the Work Committee for Central Government Organs, the General Political Department, and the Beijing Municipal CPC Committee on studying the guidelines of the 14th CPC National Congress, Li Lanqing, member of the CPC Central Committee Political Bureau and minister of foreign economic relations and trade, pointed out: If China wishes to accelerate economic development and realize the modernization drive, it should speed up development of foreign economic relations and trade.

The title of Li Lanqing's lecture was "Seriously Implement the Guidelines of 14th CPC National Congress, Open Wider, and Speed Up Development of Foreign Economic Relations and Trade." A total of 1,500 leading cadres from party, government, and military organs in Beijing attended the lecture. Gu Yunfei, executive deputy secretary of the work committee for organs under the Central Committee, presided over today's lecture.

Li Lanqing dwelt primarily on three issues: First, reform, opening, and developing foreign economic relations and trade are the only way to accomplish the modernization drive. Second, seizing the opportunities, meeting the challenge, opening wider to the outside world, and speeding up forming the framework for all-around development. Third, further reform the structure of foreign economic relations and trade and speed up development in this regard.

Li Lanqing said: In his report to the 14th CPC National Congress, Comrade Jiang Zemin emphasized once again that opening to the outside world is a must during reform and construction. We should introduce and make use of all the advanced achievements of civilization invented by every country in the world, including the developed capitalist countries, to develop socialism. Isolation will only lead to backwardness. We must open wider to the outside world; make more use of foreign capital, resources, technology, and management expertise; and draw upon all the achievements of civilization invented by human society. In the past 14 years, China's opening to the outside world has gradually widened. Foreign economic relations and trade has achieved success attracting worldwide attention and played an important role in the socialist modernization drive.

Speaking on opening wider to the outside world, Li Lanqing said: In the past, there was a view which held that countries with a rather big domestic market and rich resources had no need to develop an export-oriented economy, and only those with a small domestic market and lacking resources had to do so. Experience shows that this is a one-sided view. The trend for economies of the present world to become interdependent, cooperative, and competitive is getting increasingly obvious, and it is impossible for any form of closed economy to develop rather quickly.

On making a success out of the economic and technical development zones, Li Lanqing said: It is imperative to centralize planning to build economic and technical development zones, as well as high and new technology development zones. We should act within our capabilities, plan reasonably, emphasize actual results, and make serious efforts to do well. For those economic and technical development zones that indeed have to be approved and built, we must pay attention to integrating them well with the upgrading of old enterprises and old cities. At present, the technology, equipment, and products of many old enterprises located in city centers have become outdated. We can encourage them to cooperate with foreign businessmen and to shift their plants to the development zones. In this manner, old plants may be transformed into new ones, and old products turned into new ones to meet market demands. Moreover, the original sites can also be vacated to develop real estate and tertiary industries, thus helping rebuild the old cities. It is imperative to prevent neglect of old enterprises in the cities and the spread of investment outward to build large number of new plants in the development zones.

Li Lanqing stresses the need to further reform the structure of foreign economic relations and trade and to promote development in this regard.

—It is imperative to change administrative functions in foreign economic relations and trade, and to use laws, policies, and economic means (including economic levers like tax collection, credits, tariffs, interests rates, and exchange rates) to tighten macroeconomic and ease microeconomic control over foreign economic relations and trade, supplemented by necessary administrative means.

—It is imperative to speed up legislation on economic affairs and trade based on the requirements for building a socialist market economy and on international standards. In addition, it is imperative to adopt measures to improve openness in the methods for managing economic affairs and trade to foster better progression in this regard.

—It is imperative to further reform the structure for managing imports and exports based on requirements for building the structure of a socialist market economy. Except for a handful of vital commodities, operations in the rest of the export commodities should be relaxed step by step on the basis of being responsible for one's profits and losses, and for fair competition. The range for further relaxation will exceed 50 percent of export commodities.

Li Lanqing also dwelt on implementing the "Regulations on Changing the Operating Mechanisms of Industrial Enterprises Under Ownership by the Whole People," and on issues like deepening reform of the foreign trade enterprise mechanism, expanding group and international operations, fine-tuning the foreign trade coordination and service mechanisms, reforming and fine-tuning further foreign exchange mechanisms, exercising the



regulatory role of tariffs on imports and exports, and further abolishing import subsidies.

### On Enterprise Export Tax Fraud

HK1611090692 Hong Kong MING PAO in Chinese 14 Nov 92 p 7

[Article by staff reporter: "Trade Minister Li Lanqing Urges Severe Punishment of Tax Evasion by Export Enterprises"]

[Text] At the National Work Conference on Taxation and Trade Coordination held in Guangzhou the other day, Li Lanqing, director of the Economic and Trade Commission [jing mao wei 4842 6319 1201] and minister in charge of the Ministry of Foreign Economic Relations and Trade [MOFERT], stressed that it is necessary to seriously deal with the problem of enterprises practicing fraud in export tax reimbursement, and that persons involved in similar confirmed cases must be punished sternly and without mercy.

The National Work Conference on Taxation and Trade Coordination, held in Guangzhou the other day, was the first to be jointly held by MOFERT and the State Administration of Taxation. They concentrated on discussing the question of how to coordinate in curbing the daily-worsening problem of enterprises practicing fraud in the course of export tax reimbursement.

Li Lanqing, member of the CPC Central Committee Political Bureau and MOFERT minister, delivered an important speech regarding the problem at the conference. He said: Export tax reimbursement is an important policy to support export by means of tax reimbursement. Therefore, taxes to be reimbursed must be reimbursed in full and promptly, according to relevant regulations. Those that cannot be reimbursed must not be reimbursed, and enterprises are not allowed to deduct even a little more from them.

Li Lanqing said: Despite repeated efforts, the problem of enterprises practicing fraud during export tax reimbursement remains uncurbed. The main reason is that the management system is unsound, supervision and inspection are insufficient, and economic and trade and taxation departments tend to their own business without good coordination with each other, thus leaving loopholes. Moreover, some export enterprises lopsidedly seek profits without restricting themselves. For this reason, economic, trade, and taxation departments must join hands to strengthen management and conscientiously investigate tax reimbursement fraud by enterprises.

Li Lanqing also stressed that where fraudulent cases are confirmed, persons involved in them must be punished sternly and without mercy and that all foreign-trade enterprises must take measures to curb fraud. He stressed that investigating taxation fraud will be the emphasis of economic and trade departments in next year's campaigns to correct bad practices.

Regarding next year's prevention against enterprises practicing export tax fraud, MOFERT Assistant Minister Liu Shanzai said: At that time, all economic and export trade departments must do their part strictly. Moreover, taxation departments, customs, and foreign exchange administration departments, banks, supervisory and financial departments, and governments at all levels will join forces to combat fraud. We will see to it that the post of export tax reimbursement worker will be created and the post of export tax reimbursement inspector will be created in economic and trade supervisory departments. On the basis of demanding that export enterprises conduct self-inspections and correct their bad practices, inspection teams will be regularly sent to conduct inspections at these enterprises.

Relevant persons said that with a view to encouraging export, since 1988, China has thoroughly implemented the policy of comparative export tax reimbursement. The policy specifies that when the products of an enterprise have been exported, a certain percentage of payable taxes will be reimbursed. However, in order to obtain more "reimbursed taxes," some enterprises often overstate export quantities, items, and categories, while economic and trade management departments always neglect supervision and management as long as exports continue. Moreover, taxation departments only listen to reports without conducting investigations. It follows that export enterprises find it easy to gain "reimbursed taxes" by practicing fraud.

### 'Fair Competition' for Foreign Investors Pledged

HK1611061692 Hong Kong WEN WEI PO in Chinese 16 Nov 92 p 2

[Dispatch from Beijing by staff reporter]

[Text] The Chinese Government recently promised that it will gradually pursue "national treatment" [guo min dai yu 0948 3046 0108 6657] for foreign investors to make it possible for foreign businesses and domestic enterprises to invest and operate in China according to the same international practices with a view to creating an environment of fair competition. The Chinese Government's promise also includes further implementation of the principle of exchanging technology for markets and opening up the home market to the products of foreign enterprises; further widening the scope of foreign investment so that foreign businessmen can invest in banking, foreign trade, shipping, aviation, and other businesses on the mainland; allowing foreign businesses to invest in invisible property such as intellectual property rights (patents and trademarks) and special technologies.

A few days ago, the Ministry of Foreign Economic Relations and Trade reiterated or confirmed the preferential policies of some localities and departments for foreign businesses. Physical goods and materials used for production purposes imported by foreign investors are exempt from tariffs and consolidated industrial and commercial taxes. The proportion of shares held by a

foreign business in a joint venture is not limited, and foreign shareholders can act as a joint venture's legal representatives, such as the directors. When a contract, even that of a state-restricted industry or trade, of a joint venture expires, it can be extended upon approval of the application. Foreign enterprises can freely import raw and semifinished materials and export their own products. Foreign businesses can enjoy more preferential treatment if they invest in major industries and trades or in major areas encouraged by the state.

### **Hu Ping Visits Qinghai, Speaks On Market Building**

HK1611084492 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 9 Nov 92

[Excerpt] On 6 November, Minister of Commerce Hu Ping came to Qinghai on an inspection tour. On the evening of 7 November, this reporter interviewed Minister Hu on the development of Qinghai's market system in (Shengli) Park Hostel.

This is the 62-year-old Hu Ping's first visit to Qinghai. On 6 November, on his way from Lanzhou to Xining, he visited the rural trade markets in Minhe, Ledu, and Pingan. On the morning of 7 November, he exchanged views with Qinghai's provincial leaders.

In the afternoon, braving the cold weather and a force 5 wind, Minister Hu Ping visited the central rural trade market of [words indistinct] and conversed amiably with the self-employed businessmen there, inquiring about their life and business in great detail. All this left Minister Hu Ping with a deep impression. He said: I did not expect to see such good market facilities in Qinghai. [words indistinct] and some shops have started selling at negotiable prices. These are important aspects of deepened reform.

When touching on the building of a market system in Qinghai, Hu Ping said: The first thing to do is to renew concepts and open the city gate wider to let people from all directions come and do business. [passage omitted]

### **Securities Training Center Established in Beijing**

OW1511073092 Beijing XINHUA in English 0657 GMT 15 Nov 92

[Text] Beijing, November 15 (XINHUA)—Beijing has set up a center for training personnel to handle securities business.

This is part of the country's efforts to cope with the growing trade in bonds and stocks.

China began to re-issue treasury bonds in 1981 and since then, the country has issued 270 billion yuan worth of bonds and other securities. The volume of transaction this year is expected to top 100 billion.

In addition, China has set up stock exchange in Shenzhen and Shanghai and the trading of stocks has also become a hot spot.

Chinese people, especially the younger generation, are not familiar with the business which disappeared since the nationwide liberation. The reemergence of the business has posed a great challenge to the country's management system and the lack of competent personnel has become an obstacle to the development of the trade.

There are about 10,000 people engaging in the securities trading in China at present and most of them are in need of receiving training.

The center has recruited a number of representatives from the World Bank, the United Nations Development Programme, the Ford Foundation and other international organizations as its leading members.

### **Cooperative Investment Foundation Planned**

OW1511073192 Beijing XINHUA in English 0701 GMT 15 Nov 92

[Text] Beijing, November 15 (XINHUA)—China is considering the establishment of a cooperative investment foundation in order to reduce the risks of small shareholders and facilitate government employees to buy stocks, according to an official of the State Commission for Restructuring the Economy.

The cooperative investment foundation will be set up by non-banking financial institutions such as stock companies, stock department of trust and investment corporations. [sentence as received] It will undertake to trade stocks and distribute dividends to stock buyers.

Such foundation will reduce the risks in the investment by individual shareholders and help buy stocks for government functionaries who are not allowed to buy stocks directly in the market, thus avoiding the malpractice of seeking personal gains by abusing their power.

Funds in the foundation will be divided into two kinds: the open type and the closed type. For the former, investors are free to draw them out, but for the latter, investors are not allowed to draw out though they can transfer their certificates to others.

### **Township Enterprise Investment Foundation Formed**

OW1511072992 Beijing XINHUA in English 0655 GMT 15 Nov 92

[Text] Beijing, November 15 (XINHUA)—A township enterprise investment foundation has recently been founded in Beijing.

This is the first such investment foundation approved by the People's Bank of China. It will register itself as a company. The scale of the foundation is 300 million

yuan in face value. It will issue investment bonds worth 100 million yuan in the first issue, with a maturity term of eight years.

The money raised will mainly be used to invest in township enterprises in Zibo city, Shandong Province. It will also be used to invest in stocks or proprietorship of stocks in industries providing services to township enterprises.

The foundation was founded by a number of units, including the China Rural Development Trust and Investment Corporation, the Zibo City Trust and Investment Company, the Zibo branch of the communications bank, the Shandong Securities Company, the Shandong Trust and Investment Co. Ltds of the Industrial and Commercial Bank of China.

### **Telecommunications Industry Sees Rapid Growth**

*HK1511023392 Beijing CHINA DAILY in English 14 Nov 92 p 3*

[Unattributed report: "Post and Telecom Business Sees Rapid Growth This Year"]

[Text] China's posts and telecommunications industry has recorded a more than four-fold increase in volume for the first 10 months of this year compared to the same period last year.

During the past 10 months, the country's accumulated business volume in the sector totalled 23.1 billion yuan (\$4.2 billion), the Beijing-based People's Postal and Telecommunication News reported.

By the end of this year, the report predicted, the total business volume of the industry is expected to reach a record 29 billion yuan (\$5.3 billion) as the average monthly volume of business has reached 2.7 billion yuan (\$500 million) so far.

According to the Ministry of Posts and Telecommunications, business volume for the industry has increased rapidly since earlier this year.

In October alone the industry had 2.7 billion yuan of business volume, up 46.8 percent over the same period last year.

Currently, the forecast provincial income for the year has already been earned in Hainan, Shandong and Jiangsu provinces. The State-set targets for annual earnings have also been 90-percent realized in 25 other provinces or metropolises.

The latest statistics released by the Ministry of Posts and Telecommunications show that in October the business volume of China's trunk calls rose by 75.2 percent. Of them, domestic long-distance calls went up by 77.5 percent while international ones climbed by 61.5 percent.

Meanwhile, 4.5 million people made long-distance calls, including about two million new users this year. The number of radio pagers in use shot up to 1.85 million and the number of mobile telephones increased to about 130,000.

The mobile telephone business has been developed from only 12 provinces to 22—more than half of the country's total.

The mail business, including various ordinary postal matters, air mail and express letters, has also showed consistent growth since May.

With the country's overall economic growth this year, communication capability jumped as the number of trunk lines totalled 213,000 while the total number of dial trunk-call switchboards reached 373,000 by the end of last month.

The growth has prompted industry officials to rewrite their future goals. The industry's development targets set by the government for the period 1996-2000 are likely to be fulfilled before 1995.

But, reliable sources said, the current development of the industry still could not meet increasing social demands. The government has pledged to invest more in the sector to further support growth.

### **Economic Newspaper To Become Daily**

*OW1611081292 Beijing XINHUA Domestic Service in Chinese 0205 GMT 16 Nov 92*

[Text] Beijing, 16 Nov (XINHUA)—SHOUDU JINGJI XINXI BAO [CAPITAL ECONOMIC INFORMATION NEWS] will become a daily newspaper (except Sunday) on 1 January 1993.

After becoming a daily, the newspaper will present to its readers a brand new appearance. While retaining its salient features of the past, it will report trends and forecasts on banking, stocks and securities, and the real estate market more rapidly and comprehensively. It will also provide information on commerce, international trade, technological markets, and the cultural market, as well as other economic information necessary to market economy operations.

### **Methods To Accelerate Rural Reform Viewed**

*HK1611020892 Beijing CHINA DAILY in English 16 Nov 92 p 2*

[Article by staff reporter Wu Yunhe: "West China Rural Firms Encouraged To Catch Up"]

[Text] The Chinese Government yesterday summoned its central and local agricultural officials to Xian, the capital of Shaanxi Province, to explore ways to accelerate development of rural firms in western China.

The four-day national conference for development of township enterprises in the west, held by the State



Council, aims to provide a chance for these officials to jointly work out rules and regulations to ensure stronger financial and policy support for firms in the land-locked western countryside, where development lags far behind China's coastal areas.

Official statistics show the number of rural firms in the three western provinces of Shaanxi, Gansu and Qinghai and the Ningxia Hui and Xinjiang Uygur autonomous regions now account for merely 6 percent of the nation's total rural firms and their output value makes up only 3 percent of the country's total.

Officials from the Ministry of Agriculture say the uneven rural development between China's eastern and western areas has attracted the government's attention.

During the conference, State Councillor Chen Junsheng and senior Ministry of Agriculture officials are expected to give speeches focusing on future development strategies for these western rural firms.

China hopes the rural firms, especially individually-owned and private rural industries, can play a vital role in the future expansion of rural economic development in backward western China.

But agronomists say the development of these firms needs to be invigorated.

They said these firms were neglected over the past few years by the central government as it concentrated on the brisk rural firms in the nation's coastal areas.

The meeting is expected to work out regulations and rules that, while implementing policies for rural economic development, gives primary consideration to the interests of these farm-related rural industries.

The government's efforts are mainly intended to encourage the financial aid departments, banks and tax offices to give stronger support to western China's firms, a ministry official said.

China is encouraging rural firms in this area to open their doors wider to foreign investors in an effort to improve their production and develop an export-oriented economy.

The central government has opened western areas to the outside world and as a result rural industrial exports have increased.

According to statistics, the total export value of rural industries in these five western provinces and regions totalled 416 million yuan (\$74.3 million) last year, up 40 percent over a year ago.

But the figures only accounted for 0.6 percent of the nation's total of some 67 billion yuan (\$12 billion) produced by rural industries.

### East Region

#### Shandong Secretary Attends Women Cadres Forum

SK1711055492 Jinan DAZHONG RIBAO in Chinese 7 Nov 92 p 1

[Excerpt] The provincial forum of young and middle-aged women cadres was held at Jinan's Nanjiao Guesthouse on 6 November. Jiang Chunyun, member of the CPC Central Committee Political Bureau and secretary of the Shandong Provincial CPC Committee, and Zhao Zhihao, deputy secretary of the provincial party committee and governor called on all representatives participating in the forum and also had a group photo taken to mark the occasion. Ma Zhongcai, deputy secretary of the provincial party committee; and Li Wenquan, member of the provincial party committee standing committee and director of the organization department, attended.

This forum, cosponsored by the provincial party committee organization department and the provincial women's federation, aimed at deeply studying the 14th CPC Congress documents and discussing the cultivating and selecting of women cadres.

Ma Zhongcai, deputy secretary of the provincial party committee, made an ebullient speech at the forum. [passage omitted]

#### Shanghai Secretary Inspects Pudong Construction

OW1711045892 Hefei ANHUI RIBAO in Chinese 5 Nov 92 p 1

[Excerpt] Wu Bangguo, a member of the CPC Central Committee Political Bureau and secretary of the Shanghai municipal party committee, went to the construction site of Anhui's Yuan Building in the New Pudong District on the morning of 4 November, where he inquired about the progress of the construction project in greater detail and asked whether he could help solve any problems encountered by the construction personnel.

On 29 September, the second day of his return from a trip abroad, Comrade Wu Bangguo also went to the construction site of the Yuan Building. His visit has shown his strong interest in the project and his feelings toward the Anhui people. [passage omitted]

#### Zhejiang Congress Standing Committee Meets

OW1711024192 Hangzhou Zhejiang People's Radio Network in Mandarin 1030 GMT 10 Nov 92

[From the "Provincial News Hookup" program]

[Text] The 31st meeting of the Seventh Zhejiang Provincial People's Congress Standing Committee opened in Hangzhou today. Chen Anyu, chairman of the provincial people's congress standing committee, chaired the meeting in the morning. Vice Chairmen Wu Minda, Wu

Zhichuan, Li Yuhua, Wang Qidong, Zhu Zuxiang, Wang Yumin, and Yang Bin were present. (Wan Xueyuan), (Zhan Shaowen), (Yuan Fanglie), (Hu Tanshi), and officials from departments concerned observed the meeting. The standing committee will seriously study the 14th CPC Congress documents and hold discussions under the guidance of the party's basic line of "one central task, two basic points" in connection with the working practice of the people's congress. It will decide the date for the first meeting of the eighth provincial people's congress and listen to the report on Zhejiang's science and technology work. It will examine and approve the draft regulations on inspection and punishment for selling and producing fake and substandard commodities, the revision of management regulations on demolishing and relocating urban housing in Hangzhou, and the report on handling motions presented by deputies at the fifth session of the seventh provincial people's congress. It will also discuss and amend the draft work report of the provincial people's congress standing committee and handle other matters. Vice Chairman Wu Minda reported this morning on the recent study of 14th CPC Party Congress documents by some provincial people's Congress standing committee members.

#### Zhejiang Achieves Large Economic Strides

OW1611155092 Beijing XINHUA in English 1450 GMT 16 Nov 92

[Text] Hangzhou, November 16 (XINHUA)—The local economy in east China's Zhejiang Province grew rapidly between January and October this year, according to governmental statistics.

During the time, total industrial output value of the province increased by 30.8 percent over the same period last year, total sales volume of retail commodities rose by 17.5 percent, and non-commercial foreign exchange earnings increased by 24.1 percent.

According to an analysis made by officials with the provincial Planning Commission, the momentum should be attributed to Zhejiang's soaring investments in fixed assets, which increased by 43.2 percent during the first ten months of the year over last year's rate during the same period.

Export increases also contributed to the economic growth. During the same time, industrial export volume in the province rose about 30 percent over that of last year.

In addition, the switch of the management mechanism in the province's large and medium-sized state enterprises posed as an important factor related to the economic growth.

At present, by making best use of its harbor and newly developed economic zones, the province is taking an active part in attracting foreign funds and expanding foreign trade. During this ten month span, overseas investment to the province surpassed 1.2 billion U.S.

dollars, greater than the combined figure of the past 14 years, according to statistics.

### Central-South Region

#### Guangdong Secretary Inspects Chaozhou

HK1711022092 *Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 13 Nov 92*

[Excerpt] Upon the completion of his inspection tour in Chaozhou 10-11 November, provincial CPC Secretary Xie Fei pointed out: Chaozhou has very good conditions. As long as you band together and make strenuous efforts, it is highly possible for Chaozhou to achieve a big step up within five years.

Xie Fei inspected the Chaozhou economic and technological development zone, (Sanbaimen) Port, and the Raoping investment zone for Taiwan businessmen. He pointed out: The development and construction of (Sanbaimen) Port is an important factor contributing to Chaozhou city's economic development. [Words indistinct] in the meantime, it is necessary to pay attention to [words indistinct] and build a seawater breeding farm by the inner embankment of (Sanbaimen). [passage omitted]

#### Party Secretary Investigates Shanwei

HK1711050692 *Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 16 Nov 92*

[Text] While the people of Shanwei city are preparing for the upcoming 65th anniversary of the founding of the Haifeng-Lufeng Soviet Regime, Provincial Party Secretary Comrade Xie Fei came to investigate Shanwei on 13 November. He encouraged the old revolutionary base's cadres and common people to keep abreast of the current situation, unite as one, boost their morale, and promote economic development.

Xie Fei pointed out: To catch up with the Zhu Jiang Delta, the old revolutionary base must exploit its local advantages, start mainstay projects, develop speciality products, and follow the road of running industry by introducing funds and technology from abroad and cooperating with the rest of the country. In ideology, the people should renew their concepts and adapt them to the needs of the market economy and modernization; the party and government leadership groups at all levels must maintain a clean and honest conduct, prevent corruption, and be willing to serve the people.

He pointed out: Since Shanwei was upgraded to the city level, the party and government organizations at various levels have done a lot of work and the momentum is very good.

He expressed the hope that the cadres and common people of Shanwei will have full confidence, boost their morale, and work hard.

#### Shenzhen Mayor Zhang Liangyu Resigns

OW1711133392 *Beijing XINHUA in English 1306 GMT 17 Nov 92*

[Text] Shenzhen, November 17 (XINHUA)—At the fourth meeting of the First Municipal People's Congress of Shenzhen, which was held today, deputies to the congress accepted the resignation submitted by Zheng Liangyu, mayor of the city.

The 58-year-old former mayor was elected in December 1990. His contributions to the first-opened and most rapidly developed special economic zone during his tenure of office were spoken highly of by the deputies.

At the three-day meeting, a new mayor and new chairman of the Shenzhen Municipal People's Congress will be elected.

#### Guangxi Secretary on Enterprise Mechanisms

HK1711033592 *Nanning Guangxi People's Radio Network in Mandarin 1130 GMT 7 Nov 92*

[Excerpts] On 6 November in Nanning, the autonomous regional CPC committee and people's government held a discussion on changing some industrial enterprises' operational mechanisms. Some factory directors and managers who were invited jointly called on governments at all levels to return powers to enterprises. Leaders from 22 enterprises, including Nanning Chemical Industrial Group, Liuzhou Iron and Steel Works, and others were invited to the discussion. They were asked to make suggestions on our region's rules and regulations on changing state-owned industrial enterprises' operational mechanisms. [passage omitted]

In his speech, autonomous regional party Secretary Zhao Fulin pointed out: To enforce the rules and regulations well, it is necessary for us to solve the problems in the following five aspects:

1. We must emancipate our minds and change our concepts. The previous highly concentrative and mandatory management planning system must be changed into a new, market-led, and effective management system.
2. The focal point of changing operational mechanisms lies in enterprises' decisionmaking power. In accordance with the rules and regulations, governments at all levels must fully delegate decisionmaking power to enterprises.
3. The key to changing enterprises' operational mechanisms lies in transforming government's functions. In accordance with the principle of enabling enterprises to enter the market and separating government from enterprises, we must do well in exercising macroscopic control, adopting flexible microscopic measures, increasing efficiency, and providing good services.
4. It is necessary to urge enterprises to conscientiously enter the market and participate in competition by exercising decisionmaking power given to them by the rules and regulations.



5. It is necessary to strengthen leadership to change operational mechanisms.

In view of the fact that some enterprises are reluctant to change their operational mechanisms, Zhao Fulin stressed: Since our present economic environment is very good, main party and government leaders must personally grasp well the study, propaganda, and enforcement of the rules and regulations. Various quarters and departments must coordinate their actions and strengthen their cooperation to make contribution to the work of enabling enterprises to change their operational mechanisms, and march to market. [passage omitted]

#### **Hainan Governor on Socialist Market Economy**

*HK1711053792 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 7 Nov 92*

[Excerpts] Yesterday afternoon, the Hainan Provincial CPC Committee Propaganda Department, provincial Economic Restructuring Department, HAINAN RIBAO, and provincial Federation of Social Sciences held a forum at the Hainan Reform and Development Research Institute on studying the 14th CPC National Congress spirit with an aim of speeding up the pace of reform and opening up, and accelerating the establishment and improvement of the socialist market economy's system. [passage omitted]

Governor Liu Jianfeng, and (Liu Xuejin), member of the provincial CPC committee and director of the provincial Propaganda Department, attended the meeting to conscientiously listen to the opinions of experts and scholars, and express their views on the relevant issues.

Liu Jianfeng said: Hainan, as the biggest economic zone in the whole country, must be, and has been, qualified to speed up the establishment and improvement of the new socialist market economy system. Over the past several years, since the province's establishment, Hainan has succeeded in carrying out reform in prices, the social insurance system, enterprises, and the government administrative system. Regarding correctly handling the relations involving prices, enterprises, society, government, and market, we have made a solid step. This has laid a fine basis for further speeding up the establishment and improvement of the new system for the socialist market economy. [passage omitted]

Liu Jianfeng also made several specific arrangements for the work of the establishment and improvement of the new system for the socialist market economy in the days to come. [passage omitted]

In his speech, (Liu Xuejin) urged practical workers in the theoretical and press circles, and various trades and services, to deepen their understanding of the above-mentioned issue in light of studying the 14th CPC National Congress' spirit, and lead the broad masses of cadres and people to carry out bold exploration, and make more contributions to establishing and improving the new system for the socialist market economy.

#### **Hainan Secretary, Governor Address Rally**

*HK1711055092 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 10 Nov 92*

[Excerpts] The third rally for naming and commending advanced double-support units and individuals was solemnly held in the auditorium of the provincial CPC committee yesterday. The leaders of the provincial CPC committee, provincial people's congress, provincial government, provincial committee of the Chinese People's Political Consultative Conference, and Army units stationed in Hainan, including Deng Hongxun [provincial secretary], Liu Jianfeng [governor], [names indistinct], Pan Qiongxiang, Chen Suhou, Li Mingtian, Gong Pingqiu, Deng Hanmin, Liu Weidong, (Zhao Guihe), and Zhou Chuantong attended the rally. Liu Mingren, deputy director of the Guangzhou Military Region Political Department attended the rally as a guest.

Liu Jianfeng, governor and leader of the provincial leading group for double-support work, delivered a report before the rally on the basic situation regarding double-support work in 1992 and suggestions for conducting an in-depth, double-support campaign in the future on behalf of the provincial leading group for double-support work.

He said: This year, the military and people in Hainan, in light of the big-scale reform, opening up, and construction in the special economic zone [SEZ], have been making in-depth and down to earth efforts to conduct the activity of building model double-support cities by bearing firmly in mind the need to develop social productive forces and enhance the military's fighting capabilities. The role of double-support work in providing relevant service and guarantee has been effectively brought into play, which has energetically promoted the SEZ's social stability and economic development and helped with the comprehensive building of the Army stationed in Hainan. [passage omitted]

Liu Mingren, deputy head of the Guangzhou Military Region Political Department, also made an important speech at the rally.

Finally, provincial party Secretary Deng Hongxun, on behalf of the provincial party committee and provincial government, gave a summing-up speech.

He said: This rally has been held at a favorable time, as it is one that implements the 14th CPC Congress' spirit through concrete action. I believe that the double-support work in our province will be more geared to the new situation of SEZ development and be brought to a higher and deeper level.

He demanded that the double-support work be regarded as a long-term strategic task concerning the sustained stability and national prosperity of the country, so as to promote the SEZ's economic construction better. In other words, it is necessary to conscientiously implement the congress' spirit and carry out the double-support work by always keeping sight of economic construction.

Deng Hongxun said: The double-support work is a common undertaking of the large numbers of soldiers and people. Therefore, it is necessary to strengthen leadership over it, mobilize the masses, and extend the double-support work to the whole society and upgrade it to a higher level.

### **Hainan Establishes 85 Foreign-Funded Enterprises**

*HK1611153092 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 12 Nov 92*

[Text] The triumphant convening of the 14th CPC National Congress has further enhanced confidence among foreign investors. A new upsurge in foreign investment has appeared in Haikou city.

According to statistics, from 1 to 25 October, another 85 foreign-funded enterprises established themselves in Haikou, involving a total investment of \$75.893 million, of which \$55.227 million were foreign investments, accounting for 72.8 percent of the total. Compared with the same period last year, the number of foreign-funded enterprises and the total amount of agreed upon funds increased 431.25 and 512.5 percent respectively.

In September of this year, after the CPC Central Committee announced the exact date of the 14th party congress' convening, foreign businessmen saw broad prospects for economic development in our country, and their investment confidence was enhanced. At the same time, because Haikou was the first in the country to change the examination and approval system to the registration system, it suited the foreign businessmen who wanted to invest here and set up enterprises.

In September, Haikou approved 105 foreign-funded enterprises, which had an investment of \$111 million, an increase of 470 percent over the same period last year. In September and October, 190 foreign-invested enterprises were examined and approved, a major increase over the same period last year. One major feature of the foreign investment made during September and October was large-scale investment in industrial projects. In the past, foreign investment primarily went to real estate development; now, it has changed course to industry, and the proportion is growing. Among the 85 foreign-funded enterprises which were established in October, 33 invested in industrial projects, accounting for 38 percent of the foreign-funded enterprises. Another important feature was the extensive source of foreign investment. In the past, investment mainly came from Hong Kong, Macao, and neighboring countries; now, it has developed to include more than 10 countries and regions. At the same time, the number of enterprises solely invested by foreign businessmen also increased.

## **Southwest Region**

### **Sixth Guizhou CPC Committee Plenary Session Held**

#### **Governor Addresses Session**

*HK1711040092 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 10 Nov 92*

[Excerpts] The Eighth Enlarged Plenary Session of the Sixth Guizhou Provincial CPC Committee opened in Guiyang on 9 November. The session's agenda is: to study and make arrangements for the study, propaganda, and implementation of the 14th National CPC Congress' spirit on a provincewide scale; to explore ways to speed up Guizhou's reform, opening up, and modernization process; and upgrade the work in all respects to a new stage.

The provincial party, government, and military leading comrades, including Liu Zhengwei [provincial CPC secretary], Wang Chaowen [governor], Su Gang, Zhang Yuhuan, Miao Chunting, Long Zhiyi, (Liang Mingde), Zhang Shukui, Hu Kehui, Liu Hanzhen, Zhu Qi, (Wang Shuqi), and Yuan Ronggui, attended the session.

Wang Chaowen presided over the session. Comrade Liu Zhengwei gave a speech entitled "Under the Guidance of the 14th CPC Congress's Spirit, Speed Up the Pace of Development and Go Up a New Stage."

Liu Zhengwei said: The most important task facing the whole province at present, and for some time to come, is to make a good job of the study, propaganda, and implementation of the congress' spirit, so that it can become the conscientious action of the large numbers of cadres and ordinary people, and a strong motive force for propelling, in an all-round way, our province's reform, opening up, and modernization.

Liu Zhengwei said: We must, in line with the congress' spirit and revolving around the establishment of the socialist market economy system, make a good job of the following work:

It is necessary to continue the effort to transform the operating mechanisms of state-owned enterprises, especially large and medium ones, as a focal point in our work and bring the enterprises into the market; continue to develop various economic sectors with ease of mind, boldly, and liberally; make energetic efforts to cultivate the market mechanism and develop a socialist market system; correctly exercise macroeconomic regulation and control and guide the market to develop on a healthy course; deepen the distribution system reform and establish a social security system.

Liu Zhengwei proposed that top priority be consistently given to agricultural development and efforts be made to comprehensively reinvigorate rural economy. [passage omitted]

When touching on the issue of actively pushing ahead with political restructuring and launching the reform of administrative system and mechanism, Liu Zhengwei stressed: It is necessary to, according to the principles of separation of government administration from enterprise management, streamlining, unity, and high efficiency, transform government functions and divert personnel; continue to encourage, guide, and organize cadres and scientific and technological personnel of administrative institutions to run economic entities and enterprises; make great efforts to carry forward the personnel and labor systems reform; and gradually establish and improve the scientific three in one management system which caters to government organs, enterprises, and nonprofit institutions.

Liu Zhengwei said: Consistently doing two types of work simultaneously with equal attention is also one of the major tasks for speeding up the reform, opening up, and modernization in the future. At present, we should especially make a point of conveying the reform and construction, sternly deterring economic offenses, and pushing ahead with the comprehensive improvement of public security in greater depth.

Liu Zhengwei demanded that the party committees and governments at all levels should steadfastly adhere to the principle embodied in the concept of "the party controlling Wuhan Iron and Steel Corporation" and, as always, show concern and support for the work on the building of the Army, militia, and reserve forces. The soldiers, armed police, militia, and reserve forces provincewide should conscientiously subject themselves to the needs of the overall economic construction and support and participate in the reform, opening up, and modernization.

Liu Zhengwei also demanded that party organizations at all levels provincewide closely follow the party's basic line and strengthen party building comprehensively.

#### Session Closes

*HK1711024592 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 13 Nov 92*

[Excerpts] The five-day Eighth Expanded Plenary Session of the Sixth Guizhou Provincial CPC Committee concluded in Guiyang yesterday morning. Provincial party Secretary Liu Zhengwei presided over the meeting and Wang Chaowen, deputy secretary of the provincial CPC committee and concurrently governor, gave a speech entitled Earnestly Implement the 14th CPC Congress' Spirit and Speed Up the Reform, Opening Up, and Economic Development.

In his speech, Wang Chaowen said: Since the beginning of this year, the province's economy has been displaying a momentum of growth which is almost unparalleled in recent years. The comprehensive agricultural production capacity has been strengthened and the total grain output is the second highest in history. In industrial production,

the aggregate output value accomplished from January to October was 14.9 percent higher than the corresponding period last year.

Wang Chaowen said: The various prefectures, counties, and departments must make substantial efforts to do the current work well, ensure the accomplishment of various tasks this year, and speed up the pace of economic construction. In agriculture, it is necessary to pay attention to the increase of grain production, the increase of rural households' income, and the control of population growth. At present, it is imperative to, first of all, try all possible means to ensure that the tasks for autumn sowing be accomplished. [passage omitted]

Wang Chaowen called on the governments at various levels to, in accordance with the requirement of establishing a socialist market economy system, speed up the transformation of government functions and strengthen and adjust their work. It is necessary to exercise democratic and scientific decisionmaking, strengthen government legal work, and do two types of work simultaneously with equal attention.

Other provincial party and government leaders, including Su Gang, Miao Chunting, Long Zhiyi, Zhang Shukui, Hu Kehui, Liu Hanzhen, Zhu Qi, (Wang Shuqi), and Yuan Ronggui, attended the session.

#### Tibet Sets Guidelines for CPC Document Study

*OW1711105192 Lhasa Tibet People's Radio Network in Mandarin 1430 GMT 11 Nov 92*

[From the "Tibet News" program]

[Text] The Tibet Autonomous Regional CPC Committee recently transmitted suggestions prepared by its propaganda department on arranging the study of 14th CPC National Congress documents. The regional CPC Committee called on localities, departments, civil organizations, and party organizations to take their actual conditions into consideration and vigorously implement the suggestions. The propaganda department suggestions noted that the 14th CPC National Congress was an important meeting that served as a link between the past and future in our party's history; in addition, the spirit of reform and opening up pervaded the congress. Comrade Deng Xiaoping's thought on building socialism with Chinese characteristics is a major development of Marxism. The congress determined that Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics will become a guiding principle for the long-term construction of our country. The congress also decided that the goal for reforming our country's economic structure is to establish a socialist market economy system.

The suggestions added that studying the 14th CPC National Congress guidelines is of primary importance to both the people in our country and in our region because it will have a great bearing on the present and future developments of our country and region. Party



organizations at various levels should treat studying the congress documents as part of their important work for this winter and next spring and do a good job organizing cadres, party members, and the masses to study the documents. It is hoped that studying the documents will prod the people in our region to work more conscientiously; it is also hoped that studying the documents will generate a great motivating force to promote our region's economic development, social stability, reform, opening, and modernization construction.

The suggestions called for paying attention to the following problems when studying the documents.

1. A system for comprehensively and systematically studying the documents and concentrating on studying important passages in the documents is required; priority should be given particularly to studying the 14th CPC National Congress report. It is necessary to integrate studying the documents with Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, including his important remarks made during his inspection tour to south China early this year. Party members are also required to study the party constitution adopted at the 14th CPC National Congress, with special attention given to the general program of the Constitution. All levels of leading cadres must take the lead in studying the documents and must comprehensively, correctly, and penetratingly understand the documents' spirit. They should have a complete grasp of the documents and must on no account misinterpret them. Efforts should be given to in-depth studying of particular points in the documents to help the study of all the documents in general. It is necessary to have a thorough understanding of and study well the basic theories and basic line forwarded and elaborated at the 14th CPC National Congress and the basic tasks for the 1990's as well as the general and special policies and measures needed to realize those tasks.

2. Emancipation of the mind is required in studying the documents. It is hoped that ideological awareness will be further raised through studying the documents. We must not view Marxism as a dogma and distort it. It is necessary to further solve the issue of keeping vigilant against rightist deviations and of paying primary attention to guarding against leftist deviations. We must do away with old ideas, get rid of the shackles of feudal thinking, change concepts, and adopt new thinking. On the basis of having a thorough understanding of the spirit 14th CPC National Congress report, it is necessary to promote the policies and measures worked out by the regional party committee and regional government for our region's reform, opening, and economic development. In studying the documents, it is necessary to pay attention to the actual situation of various units and the ideological levels of people in those units. Practice is important in studying the documents, and the results of studying should be reflected in our work.

3. It is necessary for localities and units to make good arrangements for studying the documents. All levels of

cadres should, in addition to making general and detailed readings of the documents' originals, organize study sessions on particular passages from the documents. They should open up their minds, broaden their vistas, think seriously, and try to sort out certain issues relating to basic theories and practice. On the methods of studying the documents, group-, self-, or guided-study is encouraged. The important thing is to have good organization, qualified personnel, good time arrangements, and the necessary good study habits. Regional party schools, propaganda departments, and organizational departments should jointly sponsor study classes for leading cadres working at regional, prefectural, city, and district-level units. Prefectural, city, and district governments should utilize party schools or sponsor study classes for leading cadres at government organs. Leading cadres at or above county-level government should attend special classes to study the documents. In addition to making an in-depth and systematic study of the 14th CPC National Congress report and Comrade Deng Xiaoping's theory and works on building socialism with Chinese characteristics, they should discuss and study issues relating to theory and the practice of our region's reform, opening up, and modernization construction by paying attention to the actual situation in our region and to the actual conditions of various units. Results obtained from study classes should be promoted in the entire region. Studying the documents will help raise ideological awareness and generate enthusiasm among cadres and the masses; they should reflect their heightened ideological awareness and initiative in their work.

4. To effectively enhance the organization and leadership of studying and propagating the 14th CPC National Congress' spirit, the regional party committee has decided to set up an office to study and propagate the congress' spirit, and it will be mainly staffed by leading comrades from the propaganda department and other leading comrades from relevant units. This office is located on the same premises as the regional CPC committee's propaganda department.

#### **Yunnan Secretary Addresses CPPCC Committee**

*HK1711053592 Kunming Yunnan People's Radio  
Network in Mandarin 1000 GMT 11 Nov 92*

[Text] The 21st standing committee session of the sixth provincial committee of the Chinese People's Political Consultative Conference [CPPCC] was held in Kunming this morning. Liu Shusheng, chairman of the provincial CPPCC committee, presided over the session.

This session's agenda is: to study and implement the documents of the 14th National CPC Congress and the provincial meeting of party members and cadres; to have Pu Chaozhu, secretary of the Yunnan Provincial CPC Committee, make a speech on studying and implementing the 14th CPC Congress' spirit; to examine, discuss, and adopt the draft resolution of the 21st standing committee session of the sixth provincial

CPPCC committee on commending advanced collectives and individuals engaged in CPPCC-related work provincewide; to examine and discuss the draft review of the inspections made by the provincial CPPCC committee members this year; and to examine, discuss, and adopt the resolutions on relevant appointments and removals.

At this morning's session, Pu Chaozhu, secretary of the Yunnan Provincial CPC Committee, made a speech on studying and implementing the spirit of the 14th National CPC Congress in Yunnan.

In his speech, Pu Chaozhu apprised the audience of the recently held Yunnan Provincial CPC Committee meeting of party members and cadres and our province's main approach for upgrading Yunnan's economy to a new height with an emancipated mind and down to earth efforts, under the guidance of the spirit of the 14th CPC Congress and in light of Yunnan's reality.

Pu Chaozhu said in his speech: The theoretical line, broad and specific policies, objectives, and tasks have been clearly set at the 14th CPC Congress. The key is to make genuine and painstaking efforts to implement them substantially. The top priority at present is to give guidance to, and make a good job of the study, propaganda, and implementation of the CPC Congress' spirit. I hope that the provincial CPPCC committee will give full play to its role and functions, offer comments and suggestions, and contribute ideas to effectively implementing the party congress's spirit in Yunnan and promoting Yunnan's modernization, reform, and opening up.

Vice chairmen of the provincial CPPCC committee, including Liang Lin, Yang Kecheng, Li Jin, Xiang Chaozong, Bao Hongzhong, Dao Shixun, Yang Weijun, (Liu Fangrui), and (Zhu Yinggen), attended the session.

### North Region

#### Beijing Takes Steps To Control Soil Erosion

OW171114892 Beijing XINHUA in English 0939  
GMT 17 Nov 92

[Text] Beijing, November 17 (XINHUA)—Barren mountains have been turned into orchards in Hanjiachuan Basin in suburban Beijing.

Statistics show that 92 percent of soil erosion in Hanjiachuan has been controlled and villagers have doubled their income in the past five years, benefiting from the green mountains.

Nearly two-thirds of Beijing is covered by mountain areas of which two-thirds suffers from soil erosion.

In the past ten years, Beijing has planted 7,000 ha of trees and 20 large orchards in rural counties, keeping 27

million tons of soil from being washed away. Irrigated fields and terraces have also been built in barren mountains and valleys.

Altogether 1,200 square kilometers of mountain land which suffers from soil erosion has been improved in the past ten years, covering half of such land in Beijing.

#### Hebei Province Appointments, Dismissals Noted

SK1711123792 Shijiazhuang HEBEI RIBAO in  
Chinese 26 Oct 92 p 4

[Text] On 8 October, the provincial government made a decision on personnel appointments and removals.

Han Shuhuai (7281 2885 2037) was appointed vice chairman of the provincial planning and economic committee; Zhang Qingkun (1728 1987 6924), deputy director of the provincial press and publication bureau; Wang Yushu (3769 3768 2873), general engineer of the provincial animal husbandry and aquatic products industrial bureau; Zhu Zhenzhong (2612 2182 18130), deputy director of the provincial communications department; Deng Zehong (6772 3419 3163), vice chairman of the provincial construction committee; and Li Zhenguo (2621 2182 0948), director of the provincial construction industrial administration and manager of the provincial construction corporation. Lin Jiayao was removed from the posts of director of the provincial building industrial administration and manager of the provincial construction corporation.

#### Hebei Secretary Inspects Lixian County

SK1711124892 Shijiazhuang HEBEI RIBAO in  
Chinese 29 Oct 92 p 1

[By Zhou Jinzhan (0719 0093 0594) Zhang Yongqing (1728 3057 1987) and Xin Yanle (6580 1750 2867): "Develop the Socialist Market Economy and Strive To Build Modernized Big Markets"]

[Text] During his recent inspection of Lixian County's market building, provincial party committee Secretary Xing Chongzhi pointed out: The socialist market economy's development can never deviate from market cultivation and development. All localities should strive to do a good job in market building in line with the 14th CPC Congress guidelines and the production and circulation needs.

Soon after the 14th CPC Congress' conclusion, taking with him the congress guidelines, Xing Chongzhi went to Lixian County to inspect the famous Xinxing acrylic knitting wool market, the Liushi fur processing market and seven local fur processing and woolen textile plants. During his inspection, Xing Chongzhi said: Lixian County has started the development of specialized markets quite early when compared with other places in the province and even in the country. The market cultivation and development have effectively promoted the

development of local acrylic knitting wool and fur processing industries. However, judging from the demand of developing the socialist market economy and the actual market development situation in various localities, our market building is just in the primary stage. It is still basically small-scale and in a local development stage, failing to meet the needs of the development trend. The 14th CPC Congress clearly defined the reform target for establishing the socialist market economy. Establishing and improving the market system is actually one of the important tasks of realizing this reform target. All localities should regard market building as one of the important jobs in implementing the congress guidelines, conscientiously summing up experience, continuing to explore boldly, and exerting strenuous efforts to grasp this work. He stressed: It is necessary to change small-scale business to a larger scale, change local market business into export-oriented business, and strive to seek accelerated development in market building. It is necessary to resolutely manage things in line with economic laws and do a good job in guiding market cultivation and development. We should pay attention to standardization in market building, develop both software and hardware, strive to perfect market functions, and let foreign businessmen not only feel at ease in buying and selling but also be at ease in the means of transportation, comfortable in dining and lodging, and have convenient telecommunications. Only thus can we attract more businessmen to our province and invigorate the market. The industrial and commercial management departments, banks, and the tax, communications, postal and telecommunications departments should make positive contributions to invigorating the market, developing economic service, and building modernized big markets. He also pointed out: In accelerating the pace of market building, the money shortage is a big problem. In this aspect, we should also implement the reform guidelines and break with the old limit of monopolized management. For example, we may induce individual households to jointly build market infrastructure facilities and to collect funds for building roads and for running the postal and telecommunications business.

Xing Chongzhi said: Enterprises constitute the key in the development of the socialist market economy. But the most important of all is to improve quality, raise the level of products and upgrade products. Many of our township enterprises are now doing small-scale and local businesses, failing to have any accomplishment and lacking competitiveness. The market economy's development has set higher demands on all enterprises, particularly township ones. Township enterprises should actively rely on scientific and technological progress, extensively attract trained personnel, do a good job in scientific management, raise the product grade and quality, and strive to follow the road of relying on science and technology to seek development. Only thus, can we make big strides forward, remain stable in market competition, stand the tests, find a place in the domestic and foreign markets, and push the products of township enterprises to the whole country and the world.

**Tianjin Secretary Meets With Party School Group**  
*SK1711115392 Tianjin People's Radio in Mandarin*  
2300 GMT 16 Nov 92

[Text] Students of the No. 1 training class of the Central Party School, who are cadres at the provincial department level, left Tianjin and returned to Beijing on the afternoon of 16 November after successfully winding up their three-day social investigation of the municipality.

Accompanied by Vice Mayor Li Guifen on the afternoon of 14 November, the 78 students of the Central Party School training class, who are leading cadres at the provincial departmental level, came to Tianjin on a social investigation trip. That afternoon, Vice Mayor Li Shenglin briefed the guests on Tianjin's basic situation in reform and opening up. In the evening, Tan Shaowen, secretary of the municipal party committee; Nie Bichu, mayor; and Li Jianguo, deputy secretary of the municipal party committee, met with and held cordial talks with the guests at the Cadres' Club Friendship Hall, exchanged their experiences in studying the 14th CPC Congress documents, and talked freely about their new moves and plans in reform and opening up, in accelerating development, and in building the socialist market economy system.

During their stopover in Tianjin, the Central Party School students visited the free trade zone, Tianjin Port, the economic and technological development zone, the seamless steel pipe construction site, Daqiuzhuang in Jinghai County, the television tower, Tianjin airport, and the Tianjin railway station.

**Northeast Region**

**Heilongjiang Secretary Inspects Zhoujia Market**  
*SK1711045192 Harbin HEILONGJIANG RIBAO in*  
*Chinese 5 Nov 92 p 1*

[By Pei Litian (5952 4539 3944): "Sun Weiben Conducts Investigation and Study in Zhoujia Market"]

[Text] On 3 November, accompanied by Zhang Housheng, deputy secretary general of the provincial party committee; Dong Keyong, secretary of the Songhua Jiang Prefectural party committee; other comrades; and Sun Weiben, secretary of the provincial party committee, braved early winter rain and snow to inspect the Zhoujia market in Shuangcheng city, listened to briefings on market development, visited the business site, and held talks with travelling traders to learn about their business situation.

Comrade Sun Weiben was very pleased to hear that Zhoujia market had more than 3,000 stalls in less than one year and is expected to increase this figure to 5,000 by the end of this year and that the travelling traders came from as far as 16 provinces and regions, their annual business volume may exceed 100 million yuan, and the direct income of the town may reach more than



4 million yuan. He praised them for their positive contributions to developing the socialist market economy.

During his inspection, Sun Weiben pointed out: The basic work and precondition for conscientiously studying and implementing the 14th CPC Congress guidelines and carrying out the socialist market economy are to establish and improve the market system. In this aspect, comrades of Shuangcheng have made a step forward. This is very good. One of the important experiences for the Zhoujia market's rapid development is that it dared to blaze new trails and to be a pioneer. This is particularly essential for the market economy's current development. He also noted: In the course of developing the socialist market economy, it is necessary to change ideas, and this is particularly necessary for grass-roots party committee secretaries and cadres. It is not realistic to pay attention only to one's own business to keep out of trouble. To live up to the purpose of serving the people, it is most important to try all possible means to make the masses of people prosperous. This is the most important part of the purpose of serving the people, the political integrity and the achievement in one's official career.

Sun Weiben pointed out: We are still in a "primary school" stage in developing the commodity economy. We can say that Zhoujia market is not small at all. But, at present it can only be considered a primary market. We should have lofty aspirations and great ideals and further explore the tangible and intangible conditions. It is necessary to further expand publicity, extensively invite business, further emancipate minds, and unceasingly enhance the sense of competition. While extending the business to the whole province and country, we should strive to develop the market in an export-oriented manner and induce Russian and overseas businessmen to our province.

Sun Weiben also pointed out: In developing the specialized wholesale markets, we must base ourselves on developing "specialized" markets and keep eyes on "bringing along" other industries; and through the development of markets, promote the development of the processing and the tertiary industries. Governments at all levels should strive to do service work well in various aspects on the basis of developing and improving the markets. We may establish some consulting organs to provide information and intermediary service for travelling traders. It is necessary to do a good job in making overall planning and improving the environment because only thus can our province become more appealing.

#### **Heilongjiang Secretary at Market Economy Meeting**

SK1711045592 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 16 Nov 92

[Text] The provincial meeting to discuss the establishment of the socialist market economy was held in Harbin on 16 November. Major tasks of this meeting were to

analyze the numerous defects of the highly centralized planned economy, to clarify Heilongjiang's work ideas for accelerating the establishment of the socialist market economy, and, in particular, to put forward specific measures and opinions for how to start the transition to the market economy in order to make necessary preparations for some major policy decisions on the province's economic work for next year.

Leading comrades of the provincial party committee and government, including Sun Weiben, Shao Qihui, Zhou Wenhua, Ma Guoliang, Tian Fengshan, Chen Yunlin, Du Xianzhong, Dai Moan, and Yang Zhihai, attended the meeting. Also attending were major responsible comrades of pertinent departments of the provincial party committee and government; responsible comrades of some cities and prefectures; and well-known experts and scholars of the province.

The meeting concentrated on the discussion of six issues: 1) The change of the state enterprise operating mechanism, 2) basic ideas for cultivating the market system, 3) developing the rural market economy and quickening the pace in achieving a fairly comfortable life, 4) establishing new labor distribution and social security systems to conform with the needs of the socialist market economy, 5) changing government functions and facilitating organizational reform, and 6) how to make the several major industries which concern Heilongjiang's endeavor to improve the economy to a new level conform to the new situation for transit into a market economy.

It was pointed out at the meeting: More than a decade of market-oriented reform has notably increased the proportion of the market economy in the province. However, how great have we made our steps in the transition to the socialist market economy? We should have a more accurate judgment of the current situation because it is a very important question and is the starting point of our research of issues. In particular, since early this year when Comrade Deng Xiaoping gave his talks during the south China trip, the situation has developed very rapidly; economic development, reform, and opening up have been notably accelerated; and the contradiction between the inner motivation for localities and enterprises to seek economic interests and the external pressure created by the competition in the domestic and the world markets has begun to become conspicuous. In such a new situation, we should further emancipate our mind; fully understand the objective economic law; broaden our ideas; and adopt more scientific, practical, and effective measures. The foundation for all this lies in an accurate judgment of the current economic situation of the province.

It was emphasized at the meeting: In the process to transit to the market economy, we will encounter many problems that will have to be solved. We should focus on the major measures that can lead an entire industry or that have an important bearing on the province's economy as a whole. Only when we seize the major

contradictions can we solve other problems easily. In the transition to the market economy, we should extend our efforts but should never rush headlong into mass action or make all quarters achieve the same progress. Preparations for implementing the market economy should be able to promote the economy and improve efficiency; and the promoted economy and improved efficiency, in turn, will become a new force to support the market-oriented reform and to make reform and development closely promote each other. Our implementation of the market economy strategy will never be like a certain country's 500-day shock which put its economy into chaos only to try to re-establish a new system. We should take all areas into consideration when studying measures. Some measures which are feasible in some trades when considered from a narrow viewpoint will very likely become infeasible when the entire situation is taken into account. Therefore, we should attach importance to and be good at considering issues from all angles.

### Northwest Region

#### **Qinghai Party Secretary on 14th Congress Spirit**

*HK1411031992 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 1 Nov 92*

[Excerpt] Comrade Yin Kesheng [provincial party secretary] said that the main missions in the study of the 14th party congress spirit and building a socialist market economy are emancipating minds, renewing concepts, and mobilizing the whole province to grasp implementation effectively and find and adopt a way that fits Qinghai's practical situation.

Yin Kesheng made the above statements at the 31 October forum on "Studying the 14th Party Congress Spirit" jointly organized by the provincial radio and television broadcasting bureau, the provincial party committee policy research fellows on nationalities, the economy, and legal systems, and QINGHAI RIBAO. Tian Chengping, provincial party committee deputy secretary, and over 30 leaders from multifunctional departments, some prefectural and county leaders, factory and plant managers, and theoretical workers attended the forum. [passage omitted]

#### **Shaanxi Governor on Farmland Construction**

*HK1611140892 Xian Shaanxi People's Radio Network in Mandarin 0030 GMT 12 Nov 92*

[Text] Provincial and Xian city's leading comrades, including Bai Qingcai [governor], Zhi Yimin [head of the provincial party committee organization department], Li Huanzheng [secretary of the provincial commission for discipline inspection], (Yang Jie), Mao Shengxian [vice chairman of the provincial people's congress], Wang Shuangxi [vice governor], Huang Junshan [vice chairman of the provincial committee of the Chinese People's Political Consultative Conference, CPPCC],

Zheng Silin [vice governor], (Fu Zhide), Hao Shumao [vice mayor of Xian], (Cai Weikui), (Zhu Wennei); and the cadres of the provincial party committee, the provincial people's congress, the provincial government, provincial CPPCC, provincial military district, and Xian's Lintong County, yesterday arrived in Lintong County's (Hanyu) Township, to join local people in winter capital construction on farmland and water conservancy.

Lintong County officials said that this winter's capital construction on farmland and water conservancy should complete 10 major projects, including the construction of 50,000 mu of farmland from barren land. A total of 4 million man-days will be used, to level 1,000 mu of land, improve 5,000 mu of irrigated areas, and irrigate 1,500 mu of farmland this winter. At present, the county has leveled 50 percent of the land to be leveled.

Governor Bai Caiqing said at the scene that the cadres' participation in capital construction on farmland may be made governmental, duties can be assigned to units, and responsibilities can be assigned to individuals. Manpower, donkeys, and machines must be used simultaneously. To conclude, we must grasp the current opportune time to do the work well, and lay a foundation for bumper harvests next year.

#### **Xinjiang Secretary Addresses Cadre Rally**

*OW1611131192 Urumqi XINJIANG RIBAO in Chinese 27 Oct 92 pp 1, 3*

[By He Ruilan (0149 3843 5695): "Translate the 14th CPC National Congress Spirit Into Powerful Action for Advancing the Cause of Socialism—Autonomous Region Holds Rally of Party Member-Cadres To Transmit the 14th CPC National Congress Guidelines"]

[Text] The autonomous regional party committee held a rally of party member-cadres on the morning of 26 October to relay the 14th CPC National Congress' spirit. The meeting called on party members, cadres, and people at large to more closely rally around the party Central Committee, with Comrade Jiang Zemin as the core; earnestly implement the 14th congress guidelines; and to work hard and advance courageously in order to win greater victories in reform and construction in Xinjiang.

Li Shoushan, deputy secretary of the regional party committee, officiated the meeting.

Song Hanliang, secretary of the regional party committee, relayed and delivered a speech on the congress guidelines.

Amudun Niyaz, Zhang Fusen, Jin Yunhui, Keyum Bawudun, Guo Gang, Wang Lequan, and Hailiqiemu Silamu, who are regional party committee standing committee members, attended the meeting.

After briefing attendees about proceedings at the 14th congress and its main guidelines, Song Hanliang said:

The congress was a great success, and we are most impressed with the following three aspects: (1) It discussed a significant topic which will exert a far-reaching influence. The congress solved a number of crucial issues by focusing discussions on the theme of accelerating reform, opening up, and modernization construction to win still greater victories in socialism with Chinese characteristics. (2) It emancipated minds and made policy decisions in a democratic way. It is the consensus of the delegates that the congress was a meeting to emancipate the minds and seek truth from facts, and it is a meeting of democracy in action. (3) It displayed a down to earth style of meeting, as well as unity in the course of advance. During the congress, all delegations took the initiative to learn from and exchange experiences with each other. While the coastal open regions did not rest content with their achievements, the hinterland and frontier provinces and regions were not reconciled to their backwardness. A spirit of working hard to seek progress prevailed throughout the congress. The Xinjiang delegation consistently assumed a serious approach, and demonstrated a high spirit, profound sense of responsibility, and political enthusiasm for the party's cause.

Song Hanliang pointed out: The top priority of party committees at all levels at present and for some time to come is to exercise leadership over and pay close attention to studying, publicizing, and implementing the 14th congress spirit so that it can become the conscious action of party members, cadres, and people at large; as well as the powerful force for advancing the cause of socialism with Chinese characteristics in all fields. Leading cadres at various levels should set good examples in studying the 14th congress documents; they should understand the documents thoroughly and comprehensively for achieving greater unity in thinking. On the basis of self-study, leading cadres should promptly and truthfully transmit the principles and tasks laid down by the 14th congress to cadres and people at the grass roots. In continuing socialist ideological education in the farming and pastoral areas this winter and next spring, it is necessary to focus attention on studying and implementing the 14th congress guidelines. While studying and implementing the guidelines, all localities and departments should combine the central authorities' principles and policies with the concrete situation, and carry out work in a creative manner.

Song Hanliang called on all localities to seize the opportune moment to accelerate development and push the regional economy to a new height. He said: As Comrade Jiang Zemin pointed out in the report, the key to unswervingly persisting in the party's basic line lies in consistently taking economic construction as the central task. This should be our unfaltering principle. The 14th congress has explicitly called for the establishment of a socialist market economic system. Hence, we should effect changes in the ideology and understanding, management system, and leadership method accordingly. Today, as all localities in China are about to take off on

the road of developing a market economy, Xinjiang is facing an extremely favorable opportunity for development. Party committees and leading cadres at all levels must imbue themselves with a strong sense of urgency and sense of mission by striving to enter the express lane leading to a market economy and focusing attention on the major task of establishing a socialist market economy. Serious efforts should be made to do the following three tasks well at present: (1) Cultivating markets. We must quickly extend Xinjiang's international passage to the West and East; we must attract businesses from other parts of the country and from foreign countries; while persisting in making public ownership the predominant form of ownership, we should help individual and private enterprises participate in market competition; we should make vigorous efforts to develop markets for important elements such as technology, trained personnel, labor services, funds, and information. (2) Building markets. On the one hand, we should strengthen the building of a market system and relevant laws and regulations to enable markets to develop soundly from the beginning under the condition of fair competition; on the other hand, we should strengthen the building of infrastructural facilities, which include water, electric, road, and communication facilities. (3) Market participation. While speeding up the program to change the operating mechanisms of large and medium state enterprises, we should introduce the market mechanism in rural areas in a bid to develop nonagricultural industries. To meet the needs of a market economy, government departments should change functions, simplify their administration, and delegate power to enterprises and rural areas to encourage them to manage and develop themselves, and to compete in markets in a market economy. In accordance with the congress guidelines and in light of local conditions, party committees at all levels should draw up a plan for work at present and for the coming period. Starting with the work for this winter and next spring, they should strive to improve the plan and measures for accelerating reform, opening up to the outside world, and economic development; and adjust the Eight Five-Year Plan and start drawing up the Ninth Five-Year Plan in accordance with the plan on increasing Xinjiang's GNP by an average of 10 percent every year.

Song Hanliang pointed out: Leadership by the party is the fundamental guarantee for building socialism with Chinese characteristics. Only when the party is strengthened can it play its role well as the core of leadership in the ongoing reform, opening up to the outside world, and modernization drive. Party committees at all levels must concentrate on guiding economic development; draw up and implement correct principles and policies; and organize and coordinate with people of various sectors to work for economic development. Efforts should be made to improve the leading bodies at all levels, building them into staunch leading collectives which are loyal to Marxism and are determined to follow the road of building socialism with Chinese characteristics. At present, special attention should be paid to improving



leading cadres' skills in organizing and guiding economic development, and to helping them learn how to guide economic work by applying the law of markets. In accordance with the principle of integrating ability with political integrity, it is, while upholding the four cardinal principles, necessary to select and boldly use outstanding young cadres. In selecting cadres, we should open our eyes and select them through various channels and forms no matter where they come from. We should pay attention to bringing up minority cadres and women cadres, and uphold the system of promotion and demotion for cadres, exchange of cadres, and trial use of cadres.

Song Hanliang called on leading organs and leading cadres at all levels to serve the people wholeheartedly, integrate theory with practice, forge close ties with the masses, and adhere to the good work style of criticism and self-criticism. He also said that it is necessary to be strict with party members; to keep the party pure by combating corruption; to strengthen the building of basic party organizations in rural and pastoral areas, cities and neighborhoods, mines and factories, and government offices and schools; to give full play to the role of basic party organizations as the fighting bastion and the exemplary role of party members as the vanguard; to do everything possible to ensure the smooth progress of reform, opening to the outside world, and economic development; and to carry out in an all-around way the

party's policy on nationalities and regional national autonomy. National unity involves the overall interests of Xinjiang. Therefore, as always, we must pay great attention to this important matter. We must constantly strengthen the great unity among all nationalities and promote their common prosperity and progress to consolidate and develop the region's political situation of unity and stability.

At the end of the meeting, Li Shoushan called on all localities and units to immediately whip up an upsurge of studying, publicizing, and implementing the guidelines of the 14th CPC National Congress; with the guidelines as motivation, to further emancipate their minds, seize the opportune time, accelerate reform, opening up to the outside world, and the modernization drive; and strive to upgrade the autonomous region's economy to a new level at an early date.

More than 2,000 people, including members and alternate members of the regional party committee, members of the regional advisory and discipline inspection commissions, leading cadres of the region's six leading bodies and of the party committee of the People's Liberation Army Production and Construction Corps, cadres at and above the deputy-head level from various departments of the autonomous region, as well as retired veteran cadres, attended the meeting.

**Office in Germany To Move From Bonn to Berlin***OW1711093292 Taipei CNA in English 0751 GMT 17 Nov 92*

[Text] Taipei, Nov. 17 (CNA)—The Republic of China [ROC] will move the headquarters of its representative offices in Germany from Bonn to Berlin to facilitate contact with German authorities, Foreign Ministry sources said Monday.

Germany has decided to move its capital from Bonn to Berlin. The plan is expected to be realized within the next few years.

In step with the German move, the sources said, Taipei will accordingly relocate the headquarters of its representative offices in the new German capital.

Taiwan currently has six representative offices in Germany. The one in Bonn, named the Taipei Wirtschafts und Kulturburo in Bonn, is the head office.

The five branch offices are in Berlin, Hamburg, Leipzig, Munich and Frankfurt. After a careful evaluation, the Ministry of Foreign Affairs has decided to close its office in Leipzig.

Despite the absence of diplomatic ties, relations between Taiwan and Germany have been close. Germany is Taiwan's largest trading partner in Europe. Two-way trade jumped from US\$2.4 billion in 1986 to US\$6.88 billion in 1991, nearly a three-fold growth in five years.

About 200 Taiwan companies have set up production bases or marketing footholds in Germany, while more than 80 German firms have representative offices here.

Economic Affairs Minister Hsiao Wan-chang said Monday his ministry will offer incentives to attract big-name German corporations to set up regional operation centers in Taiwan and establish "strategic alliances" with their Taiwan counterparts.

The ministry will also encourage local firms to invest in the formally communist-controlled eastern Germany, Hsiao said.

He noted, however, that the ministry has no plan to negotiate with Germany for an investment guarantee agreement. Germany has never signed such an accord with any country in the world. Germany has a comprehensive legal system to protect foreign investors and its political situation has been very stable, Hsiao explained.

**Mainland Affairs Official Leaves for Germany***OW1411092192 Taipei CNA in English 0743 GMT 14 Nov 92*

[Text] Taipei, Nov. 13 (CNA)—Dr. Ma Ying-jeou, vice chairman of the Mainland Affairs Council, is leaving for Germany Friday [14 November] evening to attend the 14th International Conference on Policy and Strategy in Munich.

Ma will give a speech on "Regional Stability in East Asia: Implications of Taipei-Peking Relations" at the conference on Nov. 17. The conference is sponsored by the Hanns Seidel Foundation.

After the conference, Ma will visit universities in Munich and Leipzig. He is also scheduled to call at organizations of the common market in Belgium and the European Parliament in Strassburg.

**Cooperation Conference With Italy Planned***OW1711093092 Taipei CNA in English 0803 GMT 17 Nov 92*

[Text] Taipei, Nov. 17 (CNA)—An agreement for initiating the Sino-Italian Economic Cooperation Conference will be signed soon to enhance substantive relations between the two nations.

A 12-member delegation of the Italian National Federation of Industries "Confindustria", led by its vice chairman, Dr. R. Orlando, arrived here Monday to sign the treaty with officials of the Euro Asia trade organization of the ROC [Republic of China].

The conference, aimed at mapping out cooperation programs between the two nations, is expected to be held every year either in Taipei or in Rome.

During its four-day stay here, the delegation, which is comprised of commercial and industrial leaders as well as government officials of Italy, will call on local business organizations for discussions on strengthening trade, investment and science and technological exchanges between the two sides.

Substantive ROC-Italian relations have been improved significantly with the yearly trade between them totaling over US\$2 billion for the past three years, making Italy the nation's fifth largest trade partner in Europe.

**India To Simplify Visa Process for Taiwanese***OW1711092692 Taipei CNA in English 0818 GMT 17 Nov 92*

[Text] Taipei, Nov. 17 (CNA)—President Shankar Dayal Sharma of India has instructed the Indian Government to simplify visa processing procedures for visitors from the Republic of China [ROC] on Taiwan, a trade leader here said yesterday.

Jeffrey Koo, chairman of the Chinatrust Commercial Bank, said he was told that President Sharma has also ordered government offices abroad to issue half-year, multiple commercial visas for Taiwan businessmen.

Koo made the remarks yesterday prior to his departure for New Delhi, where he will attend the 14th conference of the Asian & Pacific Commerce and Industry Federation (APCIF) scheduled for Nov. 16-20.

During his stay in New Delhi, Koo will call on India's vice president, prime minister and cabinet ministers to

exchange views on swapping representative offices between the two countries, and India's supports for Taiwan's bid to join the General Agreement on Tariffs and Trade.

The 14th APCIF conference, to be attended by delegates from 17 countries and areas, will focus discussions on the fast-growing regional cooperation in Asia and Pacific, Koo said.

#### Japanese Official Hosts Dinner for Delegates

OW1311122492 Taipei CNA in English 0812 GMT 13 Nov 92

[Text] Tokyo, Nov. 13 (CNA)—Japan's chief cabinet secretary Koichi Kato hosted a dinner in a classy Tokyo restaurant Thursday [12 November] to honor Taiwan delegates to the just-concluded 4th Asian Open Forum in Tokyo.

This was the first time for a Japanese cabinet minister to openly give a party for Taipei officials since the two countries severed diplomatic ties two decades ago.

Kato, who once studied Chinese at National Taiwan Normal University, said on the occasion that Japan hopes to strengthen exchanges and cooperation with the Republic of China.

Chinese-speaking Kato amicably discussed with his guests the latest world economic trends, Sino-Japanese trade issues and other matters of mutual concern during the dinner.

Among the Taiwan delegates honored were Koo Chen-fu, president of the Chinese National Federation of Commerce and Industry; Kuo Wan-jung, chairperson of the Council for Economic Planning and Development; Chiu Chin-yi, deputy secretary-general of the presidential office; Chang Ching-yu, president of National Chengchi University; and Hsu Shui-tzh, ROC representative in Japan.

Also present at the dinner were several Japanese dietmen and government officials in charge of Asian affairs.

Koo, head of the ROC delegation to the annual Asian open forum told the CNA that the event indicated that Japan is attaching increasing importance to its relations with Taiwan.

"It showed that Japan has finally come to understand the importance of close Taipei-Tokyo cooperation in various fields in the post-cold war era," Koo noted.

Until recently, Japanese Government officials were reluctant to contact Taiwan authorities for fear of offending Communist Chinese leaders.

The taboo has gradually thawed in the past few years as Taiwan's economic strength has won worldwide recognition. Last year, Economic Affairs Minister Hsiao Wang-chang met with his Japanese counterpart during a session of the Asia Pacific Economic Cooperation Forum.

Earlier this year, the ROC representative office in Tokyo was renamed to make its presence there more conspicuous.

Meanwhile, Tamizuke Watanuki, secretary-general of Japan's ruling Liberal Democratic Party, is scheduled to head a large Japanese parliamentary mission to visit Taiwan in mid-November.

Watanuki will be the first incumbent LDP secretary-general to visit Taiwan, except for Shin Kanemaru, a staunch ROC supporter.

#### Central American Bank Delegation Arrives

OW1611142592 Taipei CNA in English 1358 GMT 16 Nov 92

[Text] Taipei, Nov. 16 (CNA)—A five-member delegation from the Central American Bank for Economic Integration (CABI), headed by the Executive President Federico Alvarez Fernandez, arrived in Taipei Monday for a five-day visit.

The visit came after the Republic of China [ROC] was formally accepted as a non-regional member of the Central American bank earlier this month.

While in Taipei, Alvarez and his party will meet with Central Bank of China Governor Hsieh Sen-chung, Vice Foreign Minister Chang Hsiao-yen, Vice Economics Minister P. K. Chiang, Vice Finance Minister Li Chung-ying and other officials.

Taipei was admitted into CABI after it paid US\$150 million to the bank's Central American Economic and Social Development Fund last year.

#### Rhino Horn Import Claims 'Categorically' Denied

OW1711084792 Taipei CNA in English 0745 GMT 17 Nov 92

[Text] Taipei, Nov. 17 (CNA)—Government Spokesman Hu Chih-chiang categorically refuted charges filed by three British conservationist organizations Monday that Taiwan, still allowing free imports of rhino horns, is the major killer of rhinos, an animal already considered endangered by many countries.

"The accusation is purely groundless," said Hu, director general of the Government Information Office [GIO]. "On the contrary, imports of rhino horns are strictly banned here."

Hu hopes the three bodies can correct the false statements. If necessary, he said, GIO will protest to them.

The Environmental Investigation Agency (EIA), Tusk Force and Shepherd's Foundation, all privately funded conservation organizations, Monday called on British consumers to boycott goods from Taiwan, because "Taiwan kills rhinos with your money." "Don't buy products made in Taiwan," a publicity campaign warned at a press conference.



Hu expressed "regret" over the groundless charges, saying they have seriously dampened the image of the Republic of China [ROC] in the international community.

Lin Shiang-nung, vice chairman of the Council of Agriculture, pointed out that as a matter of fact, imports of rhino horns have been banned since Aug. 16, 1985.

The next year, the National Health Administration followed by pushing for the revision of laws, under which sales of medicines with rhino horn powder have been strictly prohibited throughout the country.

Lin said his council also demanded local holders of rhino horns report to the government. The total rhino horns at government registry weigh some 1.5 tons.

Even if the council miscalculated the volume, Lin stressed, the real volume of rhino horns being held by individuals and Chinese medicine stores should run between three and five tons.

The EIA estimated Taiwan's stockpile of rhino horns at five to 10 tons.

Economic affairs minister Hsiao Wan-chang said the anti-MIT [made in Taiwan] goods campaign is simply unfair. The boycott has written off the ROC efforts to protect wildlife and endangered species in recent years.

In the 12 months ending in February, the customs confiscated 42 illegally imported rhino horns weighing 70 kilograms. All the seized rhino horns were destroyed, Hsiao pointed out.

Rhino horn, ground to powder, is used in traditional Chinese medicine to relieve fevers.

Lin Chao-keng, chairman of the Taipei Chinese medical association, admitted that rhino horn powder had been used widely in traditional Chinese medicines. But he emphasized that local Chinese medical doctors, at the government request for protection of endangered species, now rarely use the material in their prescriptions for patients.

Other countries which consume rhino horn, sometimes as an aphrodisiac, include Mainland China, South Korea, Thailand and Yemen, according to the EIA.

#### **Taipei To Phase Out Chlorofluorocarbons**

*OW1411093592 Taipei CNA in English 0745 GMT 14 Nov 92*

[Text] Taipei, Nov. 14 (CNA)—The Ministry of Economic Affairs has ruled to phase out the use of chlorofluorocarbons (CFCs) in the next three years, synchronizing the environmental protection effort with a global action.

A source of the ministry said that Taiwan is trying to win the equivalent treatment of a contracting party, since the chance is slim for the Republic of China [ROC] to be

admitted as a contracting party at the Assembly of Montreal Protocol to be held in Denmark on Nov. 17.

The Industrial Development Bureau is coordinating with the industry to implement one project. In addition to assistance to the manufacturers in promoting recycling, manufacturers of automobiles, plastic products and electrical appliances are advised to use substitutes for CFCs.

#### **Agency Proposes Developing Aerospace Industry**

*OW1711092892 Taipei CNA in English 0758 GMT 17 Nov 92*

[Text] Taipei, Nov. 17 (CNA)—Now is the most opportune time for Taiwan to develop the aerospace industry, the government's top economic planning agency said Monday.

Officials of the Council for Economic Planning and Development pointed out the forthcoming purchases of F-16 jet fighters from the United States and Mirage 2000-5s from France will help the aerospace industry take root domestically.

Moreover, the officials noted, the locally-based Taiwan Aerospace Corp. is planning to enter into cooperation with the British Aerospace Corp. (BAE) to produce the regional passengers (RPs).

In an offset program accord with McDonnell Douglas Corp. (MD) of the United States, 31 domestic manufacturers have been listed as qualified components and parts suppliers, they said. Under the program, they added, Taiwan will buy airplanes from MD and in turn the parts companies have so far acquired a committed business of about US\$750 million.

The aerospace industry, which features big investments, slow returns, and stiff competition, has been chosen as one of the ten "star" new industries targeted for intensive development, they said.

The officials estimated that production of the industry here, which totaled US\$630 million in 1989, will soar to US\$2.7 billion by 1996, accounting for one percentage point of the global market.

They further painted a rosy picture of the industry in Taiwan, saying the Executive Yuan has recently approved the nationalization program of Aero Industry Development Center (AIDC) of the Chung-shan Institute of Science and Technology under the Ministry of National Defense.

After shrugging off the scruples about national defense safety, the AIDC nationalization will greatly benefit the development of private aerospace industry and thus lead to the upgrading of other domestic industries, they stressed.

In the initial stage of nationalization, they pointed out, the AIDC will continue to manufacture the components and parts of the indigenous defense fighters (IDF) as its biggest source of income.

On the other hand, the AIDC will lend its facilities, techniques, and personnel to the Taiwan Aerospace to co-produce RPs with BAE, they elaborated.

### Stock Market Fails To Respond to Stimulus

OW1611090992 Taipei CNA in English 0810 GMT 16 Nov 92

[Text] Taipei, Nov. 16 (CNA)—A government attempt to breathe life into the sagging stock market seems to have failed as market turnover remains at low ebbs.

Transactions on the Taiwan stock exchange hit record lows in four trading sessions last week. On Saturday, market turnover totaled a mere NT\$3.42 billion [New Taiwan dollars], a new four-year low.

Injection of labor pension and postal savings funds into the market in recent days still failed to reverse the bearish sentiment that have dominated the bourse for weeks.

Analysts say investors have remained on the sidelines as they worry about political uncertainty in the run-up to the Dec. 19 parliamentary poll.

The Securities and Exchange Commission announced a long-awaited package of 12 measures last Tuesday in an attempt to lure investors back to the bourse. Injection of labor pension and postal savings funds is among the 12 pump-priming measures.

The bail-out scheme has, however, so far failed to give a major boost to the market.

Daily turnover has consistently fallen below NT\$10 billion since late October, similar to the level seen in 1985 when the bourse was reeling from a recession.

The weighted stock index, the market's key barometer, has fluctuated in narrow ranges between 3,535 and 3,585 points in the past two weeks. Some pessimistic analysts say the index is likely to dip below the psychologically important 3,500-point barrier if the Finance Ministry fails to adopt bold steps to prop up the market.

Other analysts say stock prices have already hit bottoms and are not likely to plummet too drastically in the near future. They, however, cannot predict when the market would bottom out.

The analysts point out that the current thin trading reflects serious funding shortages in the market.

They note that although the Central Bank of China has cut its rediscount rate and taken other measures to ease credit, the funds do not seem to have flowed into the equities market.

Wang Kheng-yuan, vice president of Chungwai Securities Co., says many investors have withdrawn from the market and have either deposited their funds at banks or invested them in more lucrative Hong Kong and mainland Chinese stock exchanges.

The declining profitability of many listed companies, continued capital outflow and the burden of a slowing economy may also be the reasons behind the poor stock market performance, Wang analyzes.

Moreover, he says, the investor confidence was also shattered by a string of stock payment defaults totaling NT\$9 billion in September.

In addition, Wang notes, the recent controversy over the "One China" policy also weighs on stock investors.

He expects the local bourse to stage a major rebound after the legislative election when the domestic political situation is expected to return to normal.

Slow stock trading has taken its toll on securities brokerage houses. Many of them are struggling for survival in what is described as a "freezing cold winter."

Nearly 90 percent of the 277 stock brokerages failed to make their ends meet in October, the Taipei securities brokerages association reports.

Based on Saturday's NT\$3.4 billion trading value, the 277 brokerages dealt in an average of NT\$1.2 million each, and earned a mere NT\$17,200 in commission revenues.

To cover basic operational costs at brokerage houses, an association spokesman says, daily market turnover must reach at least NT\$20 billion.

Government sources say the cabinet is likely to announce new measures this week to give a badly needed shot to the listless bourse.

An analyst with Tai Yu Securities Co. says if the annual growth rate of the M1B money supply rises from the current 15 percent to 20 percent before year's end, the local stock market will rally strongly in the first quarter of next year.

The M1B, comprising currency in circulation, checking account and passbook savings deposits, is considered one of the most telling indicators of a country's economic vitality at a specific period.

There has been a close correlation between local stock transactions and money supply growth, the analyst says.

## Hong Kong

### Media Criticizes Governor's Reform Plan

#### Hong Kong Affairs Adviser Comments

HK1611135092 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1204 GMT 15 Nov 92

[By reporter Xia Yuhua (1115 1342 5478): "Wu Wai-yung Points Out That People Should Not Have Any Illusions That Chris Patten Will Work for the Hong Kong People's Democracy"]

[Text] Hong Kong, 15 Nov (ZHONGGUO XINWEN SHE)—In an interview with our reporters, Dr. Wu Wai-yung, Hong Kong affairs adviser and former convener on the Hong Kong side for the Basic Law Drafting Committee's constitutional structure group, pointed out that quite a few people in Hong Kong, including some members of the Legislative Council, have been fascinated by Chris Patten's performances. They are cherishing the illusion that Chris Patten will bring democracy to the Hong Kong people. In fact, Chris Patten is just trying to conceal his own personal political purposes and his selfish motive of political and economic blackmail in his home country under the guise of democracy.

Judging from the details of Chris Patten's constitutional package and the way it was put forth, from Chris Patten's personal style, and from a historical angle, Wu Wai-yung asked: Does Chris Patten really want to bring democracy to the people of Hong Kong?

After analyzing Chris Patten's constitutional package, Wu Wai-yung pointed out that his package could only lead to a great retrogression in the development of the democratic system. Once his package is put into effect, the Executive Council will lose its function of making policy decisions with the Hong Kong governor and will merely become the governor's brain trust. The Legislative Council will lose its broad representativeness and will be reduced to a lower position, playing the part of a district board. The situation in Hong Kong will be characterized by the governor consolidating power in himself. How will people be able to talk about democracy then?

Judging from the way Chris Patten put forth his constitutional package, Wu Wai-yung said: If Chris Patten really believed that his proposal would be conducive to the development of democracy in Hong Kong, he should find some other effective and applicable ways that are acceptable to all sides rather than the method he chose—which was "incapable of accomplishing anything but liable to spoil everything." He took an attitude of confrontation from the very beginning and did what he knew very well should not have done. His intention of working for Hong Kong's democracy is thus open to question.

Since arriving in Hong Kong, Chris Patten has been creating new things and doing unconventional things to

demonstrate his different style. He has intentionally posed as an official who is very close to the people. Wu Wai-yung maintained that if Chris Patten really wants to bring democracy to the Hong Kong people, he should play an exemplary role. Democracy means much more than embracing children and drinking herbal tea. Since coming to Hong Kong, Chris Patten has been doing things in an arbitrary way according to his own will, showing not the least sense of democracy. On the issue of constitutional reform, if he really wanted to serve the Hong Kong people, he should not have made use of his superiority or spent the taxpayers' money to market his own package. He should not have oppressed and attacked people who held different views with threats and other means.

Looking back at history, Wu Wai-yung continued, Britain never brought democracy to its former colonies when it was ready to withdraw from them. What it always did was to transplant an empty shell of Western democracy to its former colonies and make use of all kinds of contradictions in order to leave behind a great deal of hidden perils and disturbances. If the British Hong Kong Government really wants to bring democracy to the Hong Kong people, it should make its policies consistent for a long time. In fact, in the past 150 years, there was no democracy in Hong Kong under British rule. But now—when there are only four and a half years left before the transfer of power—it has suddenly changed its policy. What is it up to?

In conclusion, Wu Wai-yung said: Chris Patten's constitutional reform package can only bring direct elections to the Hong Kong people. It can never bring them democracy. It can only pander to the erroneous viewpoint of the so-called democrats, who advocate that "direct elections, and direct elections alone, mean democracy."

#### UK MP Says Proposals 'Unwise'

OW1611135392 Beijing XINHUA in English 1330  
GMT 16 Nov 92

[Text] Hong Kong, November 16 (XINHUA)—A senior British parliamentarian voiced his disagreement to the political proposals put forward by Hong Kong Governor Chris Patten, saying "unilaterally changing the rule half-way through the game is unwise."

Robert Adley, chairman of the All-Party British Chinese Parliamentary Group, said in his article carried in the "SUNDAY MORNING POST" November 15 that a few brutal home-truths are worth repeating: they set the political reality in context.

"There has never been Western style democracy in China or Hong Kong. Absence of said democracy has not hampered the creation of stability and prosperity in Hong Kong. Hong Kong's fate has always ultimately depended on decisions taken in China," Adley said.



Entitled "Captain Patten's Tactical Switch Is Just Not Cricket", the article said "China, not Britain, will ultimately determine the fate of Hong Kong, whose stability and prosperity are unrelated to the internal democratic process."

He said the Chinese target for the future is to change as few as possible of the ingredients which have made Hong Kong so successful while restoring its historic title to the land and "one country, two systems" is the Chinese solution.

Adley visited Beijing recently. He said in his article, "the 1984 joint agreement is, and will, remain the determining factor in Hong Kong's future."

"It is essential for those responsible for Hong Kong's affairs, to understand that Hong Kong is part of China, that China agreed the future with Britain, and that China is not going to allow anyone to unravel the signed agreements," he said.

"Patten cannot persuade and will not bully China into compromising its own sovereignty," he said.

Commenting on Patten's political proposals, the parliamentarian said "Governor Patten seems to be trying to convert a test-match into a Sunday league fixture."

"Unilaterally changing the rule half-way through the game is unwise," Adley said.

#### PRC To Use 'Tough Stance'

HK1711091292 Hong Kong KUANG CHIAO CHING  
in Chinese No 242, 16 Nov 92 pp 24-25

[Article by Kuang Chiu-ping (6782 4428 5493): "CPC Plans To Deal With British Challenge With Tough Stance"]

[Text] There are only four and a half years left before sovereignty over Hong Kong is to be handed over.

The British are getting more and more hurried in making arrangements and plans for Hong Kong as 1997 approaches.

On 7 October 1992, Hong Kong Governor Patten delivered a "policy address" and wants to make great changes to the existing political structure in Hong Kong. The Chinese side regarded this "constitutional package" as running counter to the Sino-British Joint Declaration, a violation of the agreements and understandings already reached between the Chinese and British sides, and as conflicting with the principle of converging with the Basic Law.

Afterwards, both sides engaged in a war of words and Sino-British relations have become tense. The Chinese leadership asserted that the package was absolutely unacceptable, whereas British Prime Minister Major said that he "completely consented to the governor's policy orientation."

At the end of October, Hong Kong Governor Patten visited Beijing and met Qian Qichen and Lu Ping. Both sides took a tough stand, and Jiang Zemin, Li Peng, and Li Lanqing did not meet with Governor Patten. The Chinese side criticized Patten, saying that he who came from afar did not want to seek cooperation but to engage in confrontation. There are only four and a half years left in the transition period, both sides should have many issues to discuss and enhance cooperation and exchange views with each other. They should not waste their energy on public quarrels. However, this hope cannot be realized by wishful thinking. Lu Ping has even said that if Patten really wants to insist on confrontation rather than cooperation, the Chinese side cannot help but fight to the finish.

Jiang Zemin, Li Peng, Qian Qichen, and Ding Guangen are the CPC leaders in charge of Hong Kong affairs. Lu Ping and Zhou Nan are the commanders in the frontline.

People with a little bit of political knowledge know that Qian Qichen's and Lu Ping's attitude does not just represent their views; similarly, Governor Patten's attitude and stance not only reflects his personal style and interests, but also mirrors major changes and the long-term intentions of the UK policy toward Hong Kong.

Patten has asserted that in the last few years before handing over sovereignty over Hong Kong, it is necessary to "expedite the democratic pace in Hong Kong," that "Beijing has no right to negate this proposal," and that "the package will be implemented even if Beijing disagrees and the political structure is unable to pass through 1997." Patten has also said that his policy speech did reflect a majority of the "popular will," and that he would like to listen to the Chinese side's "counterproposals." The British had prepared for this controversy and have maintained a powerful offensive. They want to impose a structure on Hong Kong after the post-transition period and 1997, thus creating a situation where the Chinese would be muted.

#### The British Side Wants To "Create Difficulties" for the Hong Kong People's Government After 1997

The British side has claimed in its propaganda that the popular will supports Patten making great changes in the political structure; however, in reality, surveys show that most people look forward to friendly cooperation between China and the UK rather than seeing both sides going to extremes. Over the past few years, China's reform, opening up, and economic development has strengthened the Hong Kong people's confidence, and many professionals who had already emigrated to the United States, Canada, and Australia but found it difficult to find jobs have returned to Hong Kong to look for opportunities. The overwhelming majority of Hong Kong people wish to live and work in peace and contentment, to have a steady transition, and to realize the principle of one country, two systems. Those who want to unceasingly stir up disturbances in Hong Kong are a minority.

The British have written as many "democracy" checks as possible on the eve of their withdrawal from Hong Kong to pave the way for "democratic fighters" to come to power. They are also generous at the expense of the Hong Kong people. They are spending a lot, granting a lot of welfare, and incurring enormous expenditure, thus "creating difficulties" for the Hong Kong people's government after 1997. In case the "checks" written now cannot be cashed four years later, Hong Kong people will be left alone to struggle with the CPC regime and to battle against each other in internal strife. In this way, Hong Kong will never have peace in the future.

#### **Do Not Be Nervous, Refuse To Be Taken in by Fallacies**

Deng Xiaoping has reminded CPC decision-makers that from the late transition period to the time when sovereignty is officially handed over, the most important thing is to keep Hong Kong stable and guard against political, financial, and monetary chaos. In view of the historical lesson that the British always leave behind a number of troubles and disasters whenever they withdraw from a colony, Deng Xiaoping has specifically pointed out: We must "guard against evil ideas conceived by the British!"

#### **Senior Chinese Authorities Unanimously Deal With Challenge With Tough Stance**

Regarding the challenges Governor Patten has posed at this time, senior CPC authorities have decided to give tit for tat and to fight resolutely against it. What the Chinese side is following is Deng Xiaoping's instruction: "Do not be nervous, the opposite side will become more powerful if you are scared, and things will be alright only if we refuse to be taken in by fallacies."

#### **Strength Is a Counter in Negotiations**

Jiang Zemin said: "No economic strength, no place in the international community." China has a stable political situation and a strong momentum in economic development after the 14th CPC Congress, which is a striking contrast with the UK's depression. Patten has a popular opinion card, ruling authority, and superiority in public relations, but time is in China's favor. Since the right to interpret the Basic Law is within China's grip, China will be on the offensive more and more with every passing day as 1997 approaches.

The Chinese side has vowed that they will "fight to the finish." Meanwhile, the Chinese side is still ready to negotiate with the British side at any time, but any talks must be in line with three conditions.

#### **Three Conditions for Reopening Negotiations**

The Chinese side holds that only when the British side has shown good faith and changed its confrontational stance can negotiations resume.

The preconditions for resuming talks on the political structure are as follows:

- (1) Both sides must abide by and conform to the Sino-British Joint Declaration;
- (2) Agreements reached between China and the United Kingdom must be observed; and
- (3) It is necessary to converge with the Basic Law.

On this basis, the Chinese side holds that China can resume negotiations and contacts with the United Kingdom and that friendly relations can be restored.

#### **China Has No Alternative But to "Fight to the Finish"**

What has to be pointed out is that China and the United Kingdom have conflicts but also share substantial interests in Hong Kong. Ordinary people in Hong Kong look forward to a steady transition, stability, prosperity, and living and working in peace and contentment. Wrangles, antagonism, and acute confrontation are to the detriment of everybody. Wang Qiren, deputy director of the Hong Kong and Macao Affairs Office, told a visiting delegation from the New Territories General Chamber of Commerce: "Director Lu said not long ago that we would 'fight to the finish.' In fact, we were forced to say so! What is the advantage of confronting each other? It is Hong Kong people who will suffer first." He hoped that China and the United Kingdom can still have good and cooperative relations.

#### **What Will Be the Result of the "Showdown" Between China and the United Kingdom**

However, it is not easy to achieve effective results in negotiations. This not only depends on the balance of forces and consideration of interest between both parties, but also on their wishes and expectations. What will be the result of the "showdown" between China and the United Kingdom this time? There are only two possibilities. The first is effective consultations and both sides cooperating with each other to achieve a steady transition; or negotiations fail, bilateral relations worsen, and the Chinese side starts all over again and selects its own successors for the Special Administrative Region. In this way, new members of the British Hong Kong Legislative Council in 1995 will only be able to serve two years until June 1997; and both sides will confront each other endlessly until 1997.

#### **Is the United Kingdom Willing To Sacrifice Huge Interests?**

Both China and the United Kingdom are big powers and the Hong Kong issue "placed in between" them involves a great deal of special interests and dealings. Since China has been achieving prosperous economic development, businessmen from various countries regard China as having bright prospects and are eager to reap profits from the huge China market. The United Kingdom has been running Hong Kong for over 150 years, the UK Government is certainly not willing and U.K. businessmen are not agreed on seeing the United Kingdom forced at last to give up her interests in China and Hong

Kong because of a deterioration in relations, just like the situation when a large number of British businessmen returned from a recent visit to China without any gains.

#### **British Politicians Want To Take a Big Gamble**

Hong Kong is not an ordinary colony, it must finally be returned to China, whereas China is a large country with a population of 1.2 billion. Someone has said that Patten and the UK Government want to take a big gamble, and are betting on the CPC regime's collapse within four years. Hence, they are daring to take risks, go beyond the limit, and press forward without return. However, with a stable leadership and economic development after the 14th CPC Congress, it seems that the CPC is not likely to collapse. The "cost" will be a bit too high if British politicians really want to take such a risky gamble! It is not likely that the British, who are so experienced and astute, would be so stupid!

The UK's national strength is not as strong as before, and the United States is not able to revive its economy. The 21st century will be the century of the Asia-Pacific region and the Chinese people. The British will not be so stupid, and it is possible that they will compromise and make concessions after sounding out the Chinese leadership's determination.

#### **Lu Ping Discusses Convergence**

HK1711031292 Hong Kong WEN WEI PO in Chinese  
17 Nov 92 p 2

[Dispatch from Beijing by staff reporter Chen Chien-ping (7115 1696 1627): "While Meeting a Visiting Delegation of Hong Kong Senior Civil Servants, Lu Ping Talks About All-Round Convergence and Pension for Retired Civil Servants"]

[Text] Beijing, 16 Nov (WEN WEI PO)—While meeting a visiting delegation of Hong Kong senior civil servants here today, Lu Ping, director of the State Council's Hong Kong and Macao Affairs Office, stressed: The Chinese side wants comprehensive convergence. If there is no convergence of the legislature, convergence of the executive organs and the judiciary will be out of the question. Lu continued: The crux of the matter at present is that there are some people who have no thought of convergence at all. Such an act will definitely shake the morale of public servants.

While meeting a delegation led by Lu Heng-chiang at the Hong Kong and Macao Affairs Office this morning, Lu Ping made these remarks in response to a question on China's position on civil servants after 1997. Lu said that one of China's policies for Hong Kong is that it does not want to see a radical change of personnel in 1997. However, the policy cannot be implemented in light of one's own wishful thinking. Cooperation and consultations between the two sides are required to ensure a smooth transition. Thus, convergence is necessary.

Lu Ping stated that China wants comprehensive convergence in the legislature as well as the executive organs and the judiciary. If there is no convergence of the legislature, convergence of the executive organs and the judiciary will be out of the question. He pointed out that there are some people who give no consideration to convergence. They simply do not want convergence. Such an act is not in the interests of the Hong Kong people and it will produce an adverse influence on the public servants. This is what we do not want to see.

Lu Ping also disclosed here today that the Chinese side has notified the British side on the question of the pension fund for Hong Kong's civil servants. At the Sino-British Joint Liaison Group meeting held next month, the issue will be regarded as a special topic for discussion. The Chinese side will strive for more for Hong Kong's civil servants.

Lu said that the Chinese side fully understands the anxieties of Hong Kong civil servants over their pension fund and supports the proposal on establishing a pension fund. The Chinese side has told the British side on numerous occasions that to attain a smooth transition and transfer of government, stability of the civil servants is a very important factor. If this cannot be attained, smooth transition will be out of the question. To set the minds of civil servants at ease, Lu repeatedly stressed that the Chinese side has done its utmost to strive for the establishment of the fund.

On the specific question of the five-year retirement fund, which would involve HK\$25 billion [Hong Kong dollars], Lu Ping said that the Chinese side has been very meticulous in calculation with the British side on a number of issues in order to create more conditions for the future special administrative region [SAR]. Take the HK\$25 billion retirement fund for example; according to the Memorandum of Understanding on the new airport, the British Hong Kong Government will reserve only HK\$25 billion for the SAR government. When you are aware of this point, you will understand China's position on the new airport.

#### **Editorial on 'Perfidy'**

HK1611074292 Hong Kong WEN WEI PO in Chinese  
16 Nov 92 p 2

[Editorial: "Perfidy Is Detrimental to Consultation and Cooperation"]

[Text] In the Sino-British controversy over Hong Kong's political system stirred up by the British side, besides continuously sticking to its position of violating the Sino-British Joint Declaration, the relevant Basic Law stipulations, and the understandings reached between the two sides in the past [the three violations], the British side also released news expressing its hopes for settling the problem through the Sino-British Joint Liaison Group [JLG] or other channels. However, facts increasingly indicate that this is but a superficial posture adopted by the British side to cheat the Hong Kong



people. On the other hand, acts of confrontation by the British side are escalating continuously.

One of the basic requirements of the Sino-British Joint Declaration is to settle the problem of Hong Kong's smooth transition by means of cooperation and consultation, which is also the consistent stand of the Chinese side and which conforms to the Hong Kong people's interests. Before the promulgation of Patten's constitutional package, the Chinese representative to the Sino-British JLG made proposals to the British side on two occasions on matters concerning the 1995 elections. However, the British side did not respond and instead, Patten unilaterally introduced his constitutional package on 7 October. As the package does not conform to the Joint Declaration and the Basic Law and runs counter to the understandings reached between the two countries' foreign ministers, it is quite natural for the Chinese side to categorically expose and hit back at the package. To safeguard their own interests, an increasing number of Hong Kong people have courageously stood up to criticize Patten's constitutional package, which does not converge with the Basic Law. It is because of the criticism coming from all sides that the British representative to the Sino-British JLG came to the Chinese side's office expressing his hope for settling the dispute over Hong Kong's political system through consultations at the JLG. At a luncheon, Patten himself also called for contact, mutual proposals, and consultations through the JLG or other channels.

However, the British side has adopted such a posture to cheat the public. The British side has insisted on holding discussions based on Patten's package rather than convergence with the Basic Law. Patten even asserted that "the Government will continue its plan even if it is opposed by the Chinese side." "Political reform should conform with popular feeling and the Legislative Council represents popular feeling." If discussions are carried out based on Patten's proposal, it would mean that the Basic Law can be revised, the solemn commitment and agreements between the two countries' foreign ministers through the seven letters can be disregarded, and consultations between the two sides on a smooth transition of government as prescribed in the Sino-British Joint Declaration will become a fait accompli created by the British side which the Chinese side must accept.

The Chinese side earnestly wishes to break the deadlock in Sino-British ties and resume Sino-British cooperation and consultations. To do so, the British side must abide by the agreements and its commitments, change course, strictly follow the Joint Declaration, implement the understandings reached between the two sides, forsake its constitutional package, and genuinely return to the track of convergence with the Basic Law. This is a question of principle. If the Chinese side endorses the British side's "three violations" and holds so-called "consultations" with the British side by forsaking these principles, it will create endless trouble in the future. It will be impossible to guarantee a smooth transition of

government in 1997, a tendency toward semi-independence or total self-determination may occur, and political development will be unclear. All this will seriously undermine Hong Kong's prosperity and stability.

The purpose of the numerous agreements and understandings reached between China and Britain in the past is to ensure a smooth transition in 1997. If the Chinese side holds consultations with its British counterpart before it has changed its perfidious behavior, the specific arrangements made for a smooth transition in 1997 will fall through. Moreover, who can guarantee that the British side will not repeat its past tricks and repudiate its own commitments once again? If that is the case, what would be the significance of consultations?

To date, instead of changing his "three violations," Patten has done exactly the opposite. He said that the agreements and understandings between the two sides were reached secretly under unfair conditions, which will not benefit Hong Kong and the Hong Kong residents. Patten and the Hong Kong British authorities have also manipulated the Legislative Council, which adopted McGregor's revised motion supporting Patten's constitutional package and forsaking convergence of the political system, and have gone far astray on the erroneous road of the "three violations." Thus, they themselves have stripped off the camouflage of sham consultation and real confrontation.

Hong Kong people should be aware of the grim situation and Patten's real intentions in wantonly undermining Hong Kong's prosperity and stability and smooth transition, and in encroaching upon the Hong Kong people's interests. People from all walks of life should vigorously stand up, exert pressure on the British side, compel it to return from the course of the "three violations" to the "three compliances," and bring about a resumption of Sino-British consultations based on the implementation of the Joint Declaration, convergence with the Basic Law, and an enforcement of the mutual understandings.

#### Gradual Progress Urged

HK1611134092 Hong Kong ZHONGGUO TONGXUN  
SHE in Chinese 0748 GMT 15 Nov 92

[Commentary by Gan Cheng (3927 2110): "It Is Unwise To Attempt Helping the Shoots Grow by Pulling Them Upward"]

[Text] Hong Kong 15 Nov (ZHONGGUO TONGXUN SHE)—There is a Chinese saying: "Some people try to help the shoots grow by pulling them upward." It is about the story of an ancient man learning farming. Seeing that the shoots were growing too slowly, he pulled them upward in a bid to help them grow quicker. As a result, the shoots withered.

How can we help the shoots grow by pulling them upward! However, we should not deride the ancient man for doing such a silly thing. A review of Hong Kong today shows that newly appointed Hong Kong Governor

Patten and his followers are doing their utmost to help the shoots of Hong Kong's democracy grow by pulling them upward.

Hong Kong needs democracy but its current democracy, particularly in the political field, is still in the embryonic stage. Hong Kong's Legislative Council [Legco] had no directly elected members until last year. Over the past century or so since the British waged the Opium War against China in 1840, used gunboats to force the corrupt Qing Government into signing the Sino-British Treaty of 1842, and turned Hong Kong into its colony, the British have never given democracy an opportunity to grow on Hong Kong soil. Hong Kong's Legco members have always been selected by the British rulers in light of their interests. In this regard, Hong Kong people never had a say.

As a matter of fact, less than 10 years have elapsed since the democratic seed of Hong Kong's political system had the chance to sprout on 19 December 1984 when China and Britain signed the Joint Declaration, which endorsed the Chinese Government resuming the exercise of its sovereignty over Hong Kong on 1 July 1997. In the long years past when there was no democracy, Hong Kong people were absorbed in economic development and had no opportunity to engage in politics. Although they have created world famous economic miracles they have become indifferent toward politics. It is true that Hong Kong people have increased their sense of participating in politics and have earnestly pursued democracy in recent years. This is a good thing. Nevertheless, a man's knowledge of anything, from cognition to maturity, should undergo a process from shallow to deep and from unfamiliar to a rough knowledge and proficiency. It is beyond doubt that a properly operating and genuine democracy is something people yearn for but democracy cannot be attained overnight. Examples of disasters brought to a country or region, long-term disputes between political factions, long-drawn-out wars, and even division of states because of the failure to grasp the laws of operation and true meaning of democracy, or because of the politicians' distortion of democracy for the selfish interests of a faction, are common in the world. The Sino-British Joint Declaration, Basic Law, and the agreements and understandings reached between the two sides through diplomatic channels have laid down the provisions for the development of Hong Kong's political system: Increasing the number of directly elected seats to Legco in accordance with the principle of gradual and orderly progress and ultimately attaining the aim of electing all the members of Legco by universal suffrage. Here, it is hoped that there will be no chaos and that the shoots of democracy in Hong Kong will grow in a smooth and orderly environment.

However, Hong Kong Governor Patten and his followers are apparently doing their utmost to pull the shoots of Hong Kong's democracy upward, saying that they are doing so for the Hong Kong people's interests. But what substantial benefits have they brought for Hong Kong

people? Has Hong Kong become more stable and prosperous? Has the investors' confidence been enhanced? Can Hong Kong people live and work in peace and contentment until 1997 and beyond? The current situation is indeed disturbing. Political groups are moving toward confrontation and Hong Kong people will be forced to express their position on political reform, in support or opposition, which will inevitably upset the public, bring about social turbulence, shake the confidence of investors, and incur economic losses. Is it a wise move to pay a huge price for "accelerating the pace of such a hasty-style democracy"? The question gives Hong Kong people much food for thought. Hong Kong people should also heighten their vigilance against the ulterior motives of those who are "trying to help the shoots grow by pulling them upward."

#### Editorial Attacks Government's Airport Plans

HK1711073092 Hong Kong WEN WEI PO in Chinese  
17 Nov 92 p 2

[Editorial: "Violation of Memorandum of Understanding by Hong Kong Government Will Lead to Squandering of Public Funds"]

[Text] The British side has openly stated that it will go it alone in building the new airport and has claimed that "the first step is to decide on the airport site formation contract," arguing that this "is not" a "decision by the British side to take unilateral action," but that it follows from a suggestion by the Chinese side in July. To this, the Chinese side pointed out that a premise for the Chinese suggestion at that time was for the two sides to continue consultations on the basis of the Memorandum of Understanding [MOU]. However, now that the situation has undergone big changes, the Chinese side has been forced to declare that it does not support the unilateral action taken by the British side in violation of the spirit of the MOU.

What major changes have taken place since the Chinese side raised the suggestion in July? First of all, at that time, the British side categorically rejected the Chinese suggestion. This was followed by a unilateral revelation by Chief Secretary David Ford at a seminar on 17 July, where he said that the Chinese side, at an Airport Committee meeting, had suggested that the airport site formation contract should be carried out before an overall financial arrangement had been reached. Ford rejected the Chinese suggestion, asserting that the British side would only begin the work once the financial problems had been entirely resolved, adding that the Chinese suggestion was unwise. The next day, newspapers in Hong Kong used banner headlines to report the "ultimatum" issued by Ford to the Chinese side, while other newspapers used exactly this headline: "Ford Openly Rejects Chinese Suggestion." In view of the threats from the British side, Chen Zuoer, the Chinese representative, delivered a statement in Beijing on 22 July criticizing the British for willfully revealing the

contents of the Sino-British meeting to coerce the Chinese side into accepting the British side's package in its entirety. He also stated that the responsibility for the project's delay rested with the British side because of its violation of the MOU and its complication of the issue. However, the British side completely ignored the advice and criticism from the Chinese side. Later, after several rounds of talks, the British side continued to insist on its proposals. And when Patten visited Beijing, he repeatedly asserted that the Hong Kong Government would allocate funds and go it alone with the airport project. Hence, Lu Ping told Patten that if the British side unilaterally went ahead with the airport project before the two sides had reached an agreement on the obligations and responsibilities to be assumed by the special administration region [SAR] government, it would mean a unilateral repudiation of the MOU by the British. The Chinese side would then have to announce that they no longer supported the airport proposals. However, the British side has deliberately continued to act arbitrarily and has declared its intention to go it alone in building the airport. Under circumstances where the British side has unilaterally repudiated the premise of continuing consultations between the Chinese and British sides on the basis of the MOU, the Chinese side's July suggestion has obviously lost its original meaning. Any "solo action" by the British side which runs counter to the MOU will not win the support and cooperation of the Chinese side.

The present British tactic is, on the one hand, to deny that it had ever suggested building the airport on its own, and, on the other hand, to "go it alone" in "carrying out intact" its original proposal, which is contrary to the MOU.

This information was revealed by Ford in a speech by him at a dinner for 19 district board chairmen on 9 October. On the one hand, in his address, Ford denied having said that the British side would build the airport on its own, and, on the other hand, declared: "The government's primary task is to reach an agreement with the Chinese side on the overall financial arrangements for the airport and the airport rail projects. If an agreement related to the overall financial arrangements is not reached promptly, the airport project will be carried out according to the prescribed order, and the first step is to make a decision on the airport site formation contract whose tender deadline expires at the end of this month." The so-called "government's primary task is to reach an agreement with the Chinese side" is but a stalling tactic, while the British side's real intention is to go it alone on the airport project "according to the prescribed order" regardless of whether an agreement is reached with the Chinese side or not, and the first step is to allocate funds for the airport platform project contract. Evidently, by categorically rejecting the Chinese side's July suggestion, the British side hoped that the Chinese side would be coerced into agreeing entirely with the former's over-budget plans. But when the British saw that the Chinese would not waver in their position to resolutely safeguard

the spirit of the MOU and the interests of the Hong Kong people, they quickly changed their tactics and contradicted themselves, hoping to resort to the tactic of "beginning construction work while talking at the same time" in an attempt to "go it alone" with each of the remaining 43 core projects contracts (out of a total of 61, of which 18 have already been awarded) so that it would become a fait accompli.

And when the reserve funds have been depleted and the project is still incomplete, the SAR government will be left with a mess along with an onerous financial burden. This is the tactic of "acting according to the prescribed order," which the British side is trying to resort to. In dealing with this issue, Legislative Council members should carefully consider an outcome where the Hong Kong people's money is thrown out the window while the new airport remains half-finished by 1997.

This type of "striking everywhere" by the British in their attempt to cling to their violation of the MOU is bound to fail. The reason for this is that the Chinese side has reaffirmed that a limit should be set on the construction budget and that it opposes over-expenditure. The premise for continuing talks and consultations is for the British side to return to the MOU's basis. What is the MOU's basis? It is what Lu Ping pointed out: The airport should be built with low costs, high returns, and should not squander the Hong Kong people's hard-earned money. Anything related to the obligations and responsibilities to be assumed by the SAR government will require an agreement between the Chinese and British sides. However, today, the British side is refusing to set a limit on the construction budget and is attempting to brush aside the Chinese side by acting alone on airport projects related to the obligations and responsibilities to be assumed by the SAR government. This situation has forced the Chinese side to declare its refusal to continue cooperation with the British side. If they support the aforementioned conduct of the British, it is tantamount to allowing the British Hong Kong Government to exceed the budget and will force the Hong Kong people to fill a bottomless financial pit. Hence, the Chinese side has stated that it will refuse to extend cooperation on contracts for the new airport project and franchise agreements which straddle 1997, as well as on land use rights and air space rights.

The Chinese side's position clearly and resolutely illustrates its defense of the Hong Kong people's interests. As pointed out by people from various circles in Hong Kong, the British side's plan to go it alone in building the airport is unrealistic, and the British side should quickly return to the path of consultation with the Chinese side. Indeed, the British side's current tactics to "act according to the prescribed order and strike everywhere" actually has a certain element of leaving things to chance: It hopes to restrain the Chinese side and the Hong Kong people by pretending to consult the Chinese side, while awarding contracts one by one and completing the projects as they go along. Hong Kong's financial surplus



will then be turned into huge profits for British companies, while unfinished projects and debts will be left for the SAR government to shoulder. This idea of leaving things to chance can be described as a wild fantasy. Since Patten has already openly violated and repudiated all Sino-British agreements, including the MOU, and has claimed that the "aforementioned Sino-British agreements were all secret deals and unfair, and that there will be no secret deals henceforth"—since this is the case, does not Patten's statement that "the door is always open for consultations with the British side" become a pack of lies? Meanwhile, the door is truly always open for consultations with the Chinese side. The key depends on whether the British side will change its course or not and return to the basis of the MOU. Otherwise, it will not win the cooperation of the Chinese side because of its violation of the MOU. Its solo action "according to the prescribed order" will definitely jeopardize the Hong Kong people's interests, squander their hard-earned money, and receive widespread opposition from the Hong Kong people.

#### **Beijing Prepared To Lease Shenzhen Airport**

HK1711060392 Hong Kong SOUTH CHINA  
MORNING POST in English 17 Nov 92 pp 1, 6

[Article by Fanny Wong, Doreen Cheung, and Connie Law]

[Text] China is prepared to take a more aggressive stand in the row over the construction of the Chek Lap Kok airport by offering the radical suggestion that it leases Shenzhen's new airport to Hong Kong.

With hopes fading for an early agreement on financing the new airport projects, Beijing considers the option of annexing the Huangtian airport site, 12 kilometres west of Shenzhen city centre, to the Hong Kong Special Administrative Region as a more attractive alternative.

The Prime Minister, Mr Li Peng, is said to have given his personal backing to the plan, which Hong Kong aviation sources claim is impractical.

Although the idea was put to a Hong Kong business delegation visiting Beijing last month by a senior Chinese official, it was first mooted before China and Britain agreed to sign the Memorandum of Understanding on the new airport last year.

Legislator Mr Henry Tang Ying-yen said he had been told of the leasing proposal and Mr Selwyn Mar, one of the 15-strong business delegation visiting Beijing, said the senior Chinese official had also suggested signing over an associated access road network to the territory.

According to Mr Mar, the official said China was also willing to let the airport be administered by an airport authority in Hong Kong.

The scheme seems to have gained momentum in the past few days during which China has warned against the

Government's plan to seek approval from the Legislative Council Finance Committee to allocate funds to award the \$9 billion airport platform contract.

Beijing is adamant that the British side has to bear all consequences should Hong Kong ignore China's warning in deciding to go it alone in building the Chek Lap Kok airport projects.

To make the Huangtian plan work, an enclosed highway would be built to serve as the main link between Hong Kong and the airport, which is 30 kilometres from the Hong Kong border but is two hours away by road at present or one hour by ferry.

Air passengers could go through customs and immigration checks at Huangtian instead of Hong Kong.

The proposed highway would be restricted, and mainlanders would be strictly forbidden to enter the Hong Kong "territory".

To overcome the problem of landing rights, Beijing would include the Huangtian site in the Hong Kong SAR when it draws up the post-1997 boundary.

British sources said that only flights from the Civil Aviation Administration of China (CAAC) could land at Shenzhen before 1997. Hong Kong flights could not because there were no air services agreement with other countries for that arrangement.

A source said, however, that international flights could be diverted to Shenzhen airport if it became part of the territory after 1997.

But other sources said that the facilities at Huangtian and Kai Tak combined could not approach Chek Lap Kok in size.

While the Chek Lap Kok airport would be able to handle 87 million passengers a year, Shenzhen could only handle about two million, a source said.

"We are not comparing like with like," he said.

Even with direct flights between China and Taiwan as well as services between China and Hong Kong operated by the CAAC being diverted to Huangtian, it would only delay Kai Tak reaching saturation by two years to 1996, the source said.

The growing air traffic would make the congestion problem even more difficult to cope with in 1997 without the Chek Lap Kok airport, he added.

Moreover, upgrading Shenzhen airport from a regional airport to an international one would mean starting the construction work all over again, the source said.

A lot of money would be needed to upgrade Shenzhen airport as well as building the road links to Hong Kong, he said.

It was also difficult to build another runway running parallel to the existing one to expand the capacity of Kai Tak airport, he added.

#### Article Assails Patten Meeting KMT Official

HK1611054292 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 16 Nov 92 p 5

["Chattering in Taiwan, Hong Kong, and Macao" column by Xu Ping (1776 1627): "What Is Chris Patten Up To by Meeting Hsu Sheng-fa?"]

[Text] Hong Kong Governor Chris Patten met with Hsu Sheng-fa, a member of the Kuomintang [KMT] Central Committee Standing Committee of Taiwan, at Government House on the third of this month. In an effort to deceive the public, Hanson, the government press secretary, explained to the news media that the governor "did not break the taboo on contacts between Hong Kong and Taiwan officials," adding that he only met with a delegation of the Taiwan Federation of Manufacturers. Hsu Sheng-fa was tight-lipped about the meeting, stressing that it was "entirely within the scope of trade and economics." However, on the ninth, Li Ch'ang-yi, general manager of the Hong Kong-based Taiwan organization Chung Hwa Travel Service, revealed: "This is extremely necessary for increased contacts between Hong Kong and Taiwan. It is a natural development." In concealing the meeting with a guilty conscience, the Hong Kong Government had actually "given itself away by protesting too much."

Taiwan newspaper reports on 5 November claimed that in his talks, Patten first noted that the meeting has set a precedent by ending years of non-contacts between the Hong Kong governor and high level personalities from Taiwan. One sentence and the truth is exposed. First and foremost, Patten wanted to "set a precedent" with the intention of "readjusting the cooperative ties between Hong Kong and Taiwan," creating a "formal channel of communications," and stepping up "substantial relations" between Hong Kong and Taiwan.

The incident is not at all accidental. In view of the current political situation in Hong Kong, it is not hard to deduce Patten's motives. After Patten threw out his proposals for political reform, a number of high level KMT personalities came out to express their support. In explaining the "Patten-Hsu" meeting, Li Ch'ang-yi also openly stood up to speak on behalf of Patten. Under these circumstances, it is obvious that Patten's unprecedented meeting with KMT political personalities was conducted with an unconcealable political objective in mind.

The substance of Patten's "political reform" runs contrary to the Sino-British Joint Declaration and the Basic Law, while the model for political structural reform which it promotes deviates from the sovereign right of China and "straddles into 1997 solidly" in an attempt to

turn Hong Kong into an "independent," "semi-independent," or "political entity with self-determination" to extend the colonial rule here. This is exactly the same as the "one China, one Taiwan," "two Chinas," or "equal political entity" sought after by certain personalities in Taiwan. It is the consistent position of the Chinese Government to firmly oppose any forces from using Hong Kong to engage in separatism and undermine the motherland's unification. This is also the reason that a succession of Hong Kong governors have refrained from meeting political personalities from Taiwan for more than 40 years. Obviously, Patten's "setting a precedent" poses a challenge to China's sovereign right.

As the Hong Kong governor sent by Britain, Patten is fully aware that recognition of the PRC as the sole legitimate government of China is the primary prerequisite for the establishment of diplomatic relations between China and Britain, and he should in no way engage in "two Chinas" or "one China, one Taiwan." Therefore, he cannot have any contacts with members of Taiwan's political circle. However, that Patten has chosen to exchange flattery and favors openly with a member of the KMT Central Committee Standing Committee in Government House shows that he has hurled yet another challenge to Sino-British relations in this confrontation with the Chinese side, which he had deliberately provoked.

"One country, two systems" is the fundamental guideline that our government uses to resolve the issue of the motherland's unification. This guideline is not only written into the Sino-British Joint Declaration, but also into the Basic Law. Facts have shown that this guideline is the best way to realize the motherland's unification. As this guideline is carried out smoothly in Hong Kong and Macao, it will also provide experience for the return of Taiwan to the motherland. The motherland's unification is the popular wish of the people. If anyone should doubt our government's determination to implement the "one country, two systems" idea, undermine the motherland's unification, or pursue a so-called "political entity with self-determination," then he is bound to fail.

#### Tung Wah Group Meets Officials in Beijing

##### Meets With Ding Guangen

OW1411180792 Beijing XINHUA Domestic Service in Chinese 1402 GMT 14 Nov 92

[By reporter Huang Riyao 7806 2480 1031]

[Excerpts] Beijing, 14 Nov (XINHUA)—Ding Guangen, member of the CPC Central Committee Political Bureau and Secretariat as well as head of the CPC Central Committee United Front Work Department, met this morning with Chairman Li Donghai and other former chairmen of Hong Kong's Donghua [Tung Wah] Sanyuan at the Great Hall of the People.

At the beginning of the meeting, Ding Guangen briefed the 32 guests from Hong Kong on both the 14th CPC National Congress and the domestic situation. He said Deng Xiaoping's important speech during his South China inspection quickly mobilized the people's enthusiasm for economic construction across the nation; a picture of vitality pervades everywhere. He pointed out the promotion of the socialist market economy is unprecedented in human history; it is also unprecedented for a socialist country with a population of 1.1 billion to embark on a market economy. People across the nation are vigorously implementing the guidelines set forth at the 14th CPC National Congress, are highly motivated, and are studying ways to adapt to the market economy system. When turning to the domestic economic situation, Ding Guangen said China is doing well this year in many areas. Grain and industrial production are up, savings deposits in banks have increased, and foreign trade is also up. Some problems still exist, though, such as poor product quality, an irrational investment structure, and low economic efficiency. He expressed the belief that through borrowing advanced experiences from capitalist countries, China will find a development path which leads it to simultaneously enjoy relatively high economic growth and high economic efficiency.

Donghua Sanyuan Chairman Li Donghai said Hong Kong has benefited from the current good economic situation on the hinterland. He added that just last month he visited Shanghai and Anhui as a member of a CPPCC [Chinese People's Political Consultative Conference] inspection team. It is encouraging to see the picture of prosperity everywhere. Because of the good situation in the hinterland, he and other former chairmen want to check the investment environment and explore the possibility of cooperation in Beijing and Shanghai.

Ding Guangen told the Hong Kong guests that the policy of one country, two systems will not change. He added that China welcomes Hong Kong's investment in coastal and inland areas, expressing the hope that members of the visiting team and other businessmen from Hong Kong would assist mainland plants in upgrading technology and help them develop the tertiary industry. Ding Guangen also replied to questions raised by members of the group.

Donghua Sanyuan is a large Hong Kong service organization with a long history. It now owns three hospitals, two sanatoriums, 44 schools, and 61 other service units which employ about 8,000 people. [passage omitted]

#### Meets With State Council Official

OW1411162992 Beijing XINHUA Domestic Service in Chinese 1358 GMT 14 Nov 92

[By reporter Huang Riyao (7806 2480 1031)]

[Text] Beijing, 14 Nov (XINHUA)—Chen Ziyang, deputy director of the State Council Hong Kong and Macao Affairs Office, met this afternoon with Chairman

Li Donghai and other former chairmen of Hong Kong's Donghua [Tung Wah] Sanyuan at Beijing's Hong Kong and Macao Center. In addition to visiting Beijing, the Hong Kong guests also plan to visit Shanghai.

Chen Ziyang said he was pleased to meet again with old friends in Beijing. He praised the enormous amount of welfare work Donghua Sanyuan has done for the people of Hong Kong, and hoped it will continuously contribute to the stability and prosperity of Hong Kong and to the well-being of its people. He said that since the Hong Kong guests are all outstanding in their own professions, he hoped they would enhance contacts and cooperation with their counterparts on the mainland.

Chen Ziyang hoped that there will be no major upheaval in Hong Kong during the final transition phase. He hoped for a smooth transition, which will create conditions for the Hong Kong people to administer Hong Kong themselves. He pointed out that some people in Hong Kong, while holding the banner of democracy, have lately created waves and complications which run counter to the spirit of the Sino-British Joint Statement, to the understanding reached between China and Britain, and to the Basic Law. He expressed the belief that despite complications, the goal of making the Hong Kong people administer Hong Kong will eventually be realized, and the Sino-British Joint Statement will surely be implemented.

#### Meets With Li Ruihuan

OW1611154492 Beijing XINHUA in English 1532 GMT 16 Nov 92

[Text] Beijing, November 16 (XINHUA)—Li Ruihuan, a Standing Committee member of the Political Bureau of the Central Committee of the Communist Party of China (CPC), met with a delegation from the Tung Wah Group of hospitals, a major Hong Kong charity organization, in Beijing early today.

The delegation, led by Leo Tung Hai, chairman of the Association of Chairmen of the Tung Wah Group, has previously visited Shanghai, the leading industrial and commercial center of the country.

Li expressed his respect to the association for its long-term efforts in conducting social charities and developing welfare projects. He also expressed his thanks to the association for its donation to the flood-hit areas in China's mainland last year.

He hoped that people from the association and various walks of life in Hong Kong will come more frequently to the mainland, and to make greater contributions to the prosperity of the whole country.

Leo said they mainly wish to investigate the investment environment in Beijing and Shanghai and to seek possible cooperation with the two cities.



**Ding Guangen Meets STAR TV Executive**

OW1711142692 Beijing XINHUA in English 1410  
GMT 17 Nov 92

[Text] Beijing, November 17 (XINHUA)—Ding Guangen, member of the Political Bureau of the Chinese Communist Party (CPC) Central Committee, met with Richard Li, vice chairman of the Satellite Television Asian Region Limited (STAR TV) of Hong Kong, here today.

Ding expressed the hope that through the television, the world will get to know more about China whereas more of the world be introduced into this country. He urged the STAR TV company to increase exchanges with their counterparts on the mainland for promoting cooperation in this field.

Li is the second son of the noted Hong Kong personality Ka-shing Li, and his party arrived here November 15 at the invitation of the Ministry of Radio, Film and Television.

**Continuing Restrictions on Journalists Listed**

HK1411061892 Hong Kong SOUTH CHINA  
MORNING POST in English 14 Nov 92 p 1

[By Kent Chen]

[Text] Beijing has exempted Hong Kong reporters from having to apply to the local branch of the New China News Agency [NCNA, XINHUA] 15 days in advance of an event on the mainland they wish to cover.

However, six other restrictions imposed in the wake of the Tiananmen Square crackdown remain.

A spokesman for the Hong Kong and Macao Affairs Office of the State Council said journalists may still only cover events listed in their application forms and they must not carry out "activities incompatible with their status".

Those who enter China on home visit permits for tourism and for seeing relatives cannot engage in journalistic activities.

Long-distance telephone interviews are not allowed, and Hong Kong organisations cannot employ mainlanders as correspondents.

"News coverage by Hong Kong and Macao reporters will help enhance their understanding of the mainland and the Chinese Government will do everything to facilitate their activities, provided they observe the laws of the mainland," the spokesman said.

Chairman of the Hong Kong Journalists' Association, Daisy Li Yuet-wah, welcomed the decision but added NCNA application procedures should be removed altogether.

Miss Li said the "vetting procedures" could be used to bar a particular news organisation or reporter from entering China. A sensitive topic could also be killed in the process.

Hong Kong affairs adviser, Miss Liu Yiu-chu hailed the relaxation as good news but believed the application procedure was worth preserving because it enabled the NCNA to prevent Hong Kong journalists "from going to dangerous areas".

**Macao****Sino-Portuguese Joint Liaison Meeting  
Communique**

OW1411122092 Beijing XINHUA Domestic Service in  
Chinese 1031 GMT 14 Nov 92

[Text] of Communique of 15th Plenary Session of the Sino-Portuguese Joint Liaison Group released in Beijing on 14 November]

[Text] Beijing, 14 Nov (XINHUA)—A communique was released here today on the 15th Plenary Session of the Sino-Portuguese Joint Liaison Group. The text of the communique reads:

The 15th Plenary Session of the Sino-Portuguese Joint Liaison Group was held in Beijing from 10 to 13 November 1992.

The two sides officially confirmed the agreement on the applicability to Macao of the "International Convention on Civil and Political Rights" and the "International Convention on Economic, Social, and Cultural Rights."

They also reached agreement on Macao's accession to the Asia-Pacific Telecommunications Organization and the Customs Cooperation Council, and on the applicability to Macao of the amendments made by the London Conference to the "Montreal Protocol on the Depletion of Substances in the Ozonosphere."

Both sides reached agreement in principle on Macao's accession to the Asian-Pacific Development Center, the World Health Organization's West Pacific Regional Committee, and the Asia-Pacific Economic Cooperation conference.

They continued their review of progress made in appointing local residents to government posts, in making Chinese the official language, and in translating laws into the Chinese language. They also exchanged views on other important issues related to Macao's transition period.

They noted Macao's progress in building an airport and assigned members from their respective delegations to liaison work involved in creating a work group for drafting an air transport agreement. They agreed to allow the group to start working at an early date.

The session was held in a constructive spirit amid a cordial and friendly atmosphere.

The Sino-Portuguese Joint Liaison Group will hold the 16th Plenary Session from 9 to 12 March 1993 in Macao.

**END OF**

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**DATE FILMED**

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